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The Sports/Fitness/ Leisure Markets

FAIRCHILD FACT FILE

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THE SPORTS FITNESS LEISURE MARKET:
TOTAL VALUE AT WHOLESALE

It is obvious that the sports/fitness/leisure market includes a wide variety of products from archery to scooters. This FACT FILE, however, is limited to product classifications of the type sold through sporting goods and general merchandising stores.

In an attempt to answer the question of how large the sports recreation industry is, the Sporting Goods Manufacturers Association in 1988, for the first time, estimated the overall size of the market (including imports as well as domestic sources) and its component parts, at wholesale. The estimate for 1987--$33.3 billion.

Here are the key components:

	In Mil. of $
Baseball/Softball	$ 335 million
Camping	700
Exercise	695
Golf	850
Tennis	260
Team-Institutional	1,200
Total Sports Equipment	7,955
Bicycles	1,000
Pleasure Boats & Motors	7,600
Snowmobiles	200
Total Recreational Transport	15,764
Apparel (Sports)	5,635
Athletic Footwear	4,000
Total Sports and Recreational Industries	33,354

The SGMA reported that retail sales gained 17.3% in the first quarter of 1988 compared with the same period in 1987. The SGMA study of consumer purchases covering 64 products in eight product categories found that sports equipment sales grew by .5%. Major increases were registered by water sports (+56%) and rackets (+50%). Athletic footwear purchases grew by 16% with walking shoes more than doubling (+102%). Sports apparel grew by 18%.

As of Oct. 1988, the Sporting Goods Manufacturers Association estimated that annual industry sales for 1988 will only grow 2% plus inflation due to the cautious attitude of retailers and manufacturers with regard to economy and consumer spending. Profits are forecasted to slip 5-10% from the 1987 level.

Based on an annual tracking study of consumers purchases, The National Sporting Goods Association, forecasts a 4% increase in retail sales in 1988 to $35.1 billion from $33.7 billion in 1987.

The U.S. trade deficit in the sporting goods industry increased by 4% in 1987 over 1986, from $1 billion to $1.1 billion. Imports rose 13% from $1.4 billion to $1.6 billion. Exports rose three times as fast as imports (44%), climbing from $330 million to $476 million. The devaluation of the dollar has made U.S. produced sporting goods more affordable in certain foreign markets.

As we go to press there are some indications that there may be a sea change in the fortunes of the sporting goods industry, which may strengthen earlier forecasts. In the first quarter of 1988, sporting goods imports were up 12%, while exports were up 58%. Particularly strong were golf equipment exports up 68% compared to the year earlier period. Tennis equipment exports were up 46%, while imports were off 5% from the first quarter of 1987. Bicycle exports were up 76%.

In addition a sharp pickup is noted in monthly employment reports for 1988 due to the surge in exports. In the first seven months of 1988, total employment in the sporting goods industry gained 11.4% over a comparable 1987 period.

THE SPORTS/FITNESS/LEISURE MARKETS

Market Trends

As noted previously, in its broadest sense, the sports/fitness/leisure market covers a very wide range of products--from tennis balls to aircraft. This FACT FILE, however, is limited to the product classifications of the type sold through retail outlets such as sporting goods stores and general merchandise stores. Boats, airplanes, etc., sold through specialized dealers, are not included, nor are products classified as "toys".

Industry statistics compiled by the U.S. Department of Commerce delineate trends in two major components of the Sports/Fitness/Leisure complex: sporting/athletic goods (equipment), and the motorcycle/bicycle industries. Other major classifications--including athletic uniforms, authentic activewear, athletic footwear, as well as sports accessories items--are components of other unrelated broad industry classifications. Information on these are, however, covered in product information (shipments, sales, etc.) throughout this Fact File where available.

In 1987, domestic shipments of sporting goods equipment increased an estimated 4.1% over 1986, measured in current dollars, to $3.8 billion. Retail sales of sporting goods are expected to grow by 4% in 1988, according to forecasts by the National Sporting Goods Association. They report sales of all sporting goods and recreational transport equipment grew at 4% in 1987, totaling $33.7 billion compared to $30.6 billion in 1986.

Sales of athletic and sports equipment, athletic footwear and activewear are projected to reach $18.5 billion in 1988. Retail sales of these items increased to $17.8 billion from $16.8 billion the previous year.

Among the other retail data reported for 1987:

	% Change 1986/87	In Billions of $
Recreational transport equipment (bicycles, pleasure boats and motors, recreational vehicles, and snowmobiles)	+ 14.6%	$ 15.9
Athletic and sport footwear	+ 10.1	3.5
Athletic and sport clothing	9.3	4.6
Exercise equipment	- 11.0	1.1
Billiards	- 13.0	na
Hockey	- 8.0	na

na not available

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS (Sporting & Athletic Goods)

The U.S. Department of Commerce periodically reports information on the domestic Sporting and Athletic Coods Industry. As classified under the Standard Industrial Classification system, this includes plants making most major types of equipment sold through sporting goods stores and general merchandise stores, as well as through distributors of school and team equipment.

GENERAL INDUSTRY STATISTICS (Sporting & Athletic Goods)

Equipment for fishing, golf, gymnastics, exercise, archery, bowling, billiards, tennis, winter sports, water sports and team sports are included. Other related products--including functional activewear, athletic footwear and sports accessories--are components of broad Apparel and Footwear Industry classifications (covered in other Fact Files). Bicycle manufacturing plants are covered in industry data on the Motorcycle, Bicycle and Parts Industry.

Long term trends in U.S. manufacturing in the two specific athletic goods industries are analyzed in the annual U.S. Department of Commerce reports, U.S. Industrial Outlook, which is compiled at the end of each year, published in January. As noted below, information is reported in both current dollars and constant (1982) dollars to eliminate the effects of inflation.

Trends in the Sporting Goods, n.e.c. Industry (SIC 3949)
& in the Motorcycles, Bicycles and Parts Industry (SIC 3751)

	Compound Annual Change 1972-85	1980-85
Sporting and athletic goods industry:		
Value of industry shipments (current $)	+ 6.2%	+ 4.3%
Value of industry shipments (1982 $)	+ 0.8	+ 2.2
Total employment	- 2.7	- 4.5
Production workers	- 3.1	- 5.1
Average hourly earnings	+ 6.7	+ 7.3
Motorcycles/bicycles and parts industry:		
Value of industry shipments (current $)	+ 3.6	- 4.8
Value of industry shipments (1982 $)	+ 3.0	- 8.3
Total employment	- 4.9	- 9.6
Production workers	- 5.3	-10.2
Average hourly earnings	+ 6.2	+ 2.9

n.e.c. not elsewhere classified

Source: U.S. Department of Commerce,
U.S. Industrial Outlook 1988

A complete census of all manufacturing plants with payroll in the U.S. is compiled every five years by the U.S. Bureau of the Census, U.S. Department of Commerce. Compilation of data for the year 1987 is now underway in the Census Bureau, but it will be sometime before reports are released. In intercensal years, the Bureau conducts annual surveys covering a sample of manufacturing plants in order to develop estimated on key measurements of manufacturing activity.

Results from the recently issued 1986 Annual Survey of Manufactures show a rise of 5.2% compared with 1985 in the value of products and services sold by plants classified in the sporting goods industry. This was much better than the decline of 1% anticipated when the 1988 Industrial Outlook was compiled, due to a surge in exports. The value of industry shipments by plants in the motorcycle, bicycle and parts industry, on the other hand, declined 1.1% in 1986 compared with 1985.

GENERAL INDUSTRY STATISTICS (Sporting & Athletic Goods)

Sporting & Athletic Goods Industry, n.e.c. (SIC 3949**)

	1986	1985	1982	% Change 1986/85
Number of companies	nr	nr	1,452	--
Number of establishments, total*	nr	1,539	1,553	--
With 20 employees or more*	nr	445	460	--
Employees, total (thous.)	43.2	42.8	47.8	+ 0.9
Production workers (thous.)	31.8	32.4	36.0	- 1.8
Payroll (mil. $)	$ 729.1	$ 707.6	$ 677.7	+ 3.0
Value added by manufacture (mil. $)#	$2,131.2	$1,928.6	$1,778.8	+10.2
Value of industry shipments (mil. $)##	$3,960.6	$3,766.1	$3,376.8	+ 5.2
Capital expenditures, new (mil. $)	nr	111.3	76.5	--
Machinery & equipment, new	nr	86.2	nr	--

Motorcycles, Bicycles & Parts (SIC 3751**)

	1986	1985	1982	% Change 1986/85
Number of companies	nr	nr	269	--
Number of establishments, total*	nr	242	273	--
With 20 employees or more*	nr	63	67	--
Employees, total (thous.)	7.9	9.2	13.0	- 14.1
Production workers (thous.)	6.3	7.4	10.4	- 14.9
Payroll (mil. $)	$ 169.4	$ 168.7	$ 224.9	+ 0.4
Value added by manufacture (mil. $)#	$ 430.1	$ 402.3	$ 402.5	+ 27.8
Value of industry shipments (mil. $)##	$1,032.0	$1,044.0	$1,032.0	- 1.1
Capital expenditures, new (mil. $)	$ 21.4	23.4	23.1	- 8.5
Machinery & equipment, new	$ 17.4	18.6	nr	- 6.4

n.e.c. not elsewhere classified
nr not reported

* Covers manufacturing establishments (plants) only, and each location is separately counted. Not included are separate auxiliary locations (i.e. administrative offices, purchasing offices, sales offices, etc.). Figures for 1985 are from the Census Bureau's County Business Patterns report.

**Manufacturers are classified by industry under the Standard Industrial Classification system (SIC), determined by the principal products made as described below:

SIC 3949 This industry comprises plants primarily engaged in the manufacture of sporting and athletic goods such as fishing tackle, golf and tennis goods, baseball, football, basketball and boxing equipment, billiard and pool tables, roller skates and ice skates, gymnasium and playground equipment, bowling alleys and equipment.

SIC 3751 This industry comprises plants primarily engaged in the manufacture of motorcycles, bicycles and similar equipment and parts. Establishments primarily engaged in the assembly of motorcycles or bicycles from purchased parts are also included in this industry.

(footnotes continued)

GENERAL INDUSTRY STATISTICS (Sporting & Athletic Goods)

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids duplication in value of production which results from the use of products of the same manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. This value includes both products described as primary to the industry and secondary products and miscellaneous receipts (including receipts on contract work and resales). The total value of product shipments by secondary producers, is covered in the SHIPMENTS section of this Fact File.

Source: U.S. Bureau of the Census:
1982 Census of Manufactures;
1985, 1986 Annual Survey of Manufactures

Employment & Earnings

An important indicator of trends in the Sporting & Athletic Goods Industry is provided in current monthly and annual reports on employment and earnings compiled by the Bureau of Labor Statistics, U.S. Department of Labor. The figures issued by the BLS differ somewhat from the annual employment totals arrived at by the Census Bureau due to a difference in methodology used in compilation.

There has been a long term decline in employment in the industry which accelerated in the 1980's as domestic production moved offshore. According to the 1988 U.S. Industrial Outlook (Department of Commerce), between 1978 and 1986, total employment in the industry declined at a compound annual rate of 4.2%; during the same period, production worker employment declined 4.8%, lowering the ratio of production workers to total employment from 81% in 1978 to 76% in 1986. Productivity, however, which is measured by value added in constant dollars per production worker hour, increased at a compound annual rate of 5.3% between 1978 and 1986, as manufacturers streamlined operations, closing inefficient plants and consolidating operations.

The BLS reported total employment in the sporting/athletic goods industry in 1977 averaged 63,300. The average declined each year thereafter, reaching a low of 50,800 in 1983. Then a substantial pickup in business occurred in 1984, and employment rose to an average of 54,400. Then the level fell by 7.3% in 1985, and the total hovered at about 50,000 in 1985 and 1986. In 1987, industry employment averaged 52,900.

A sharp gain is noted in monthly employment reports for 1988 due to the surge in exports rather than to a strong domestic demand. In the first seven months of the year, total employment averaged 57,460, representing a gain of 11.4% over the comparable seven-month average of 51,570 employees in 1987. Production worker employment in the same period of 1988 averaged 44,114, 11.4% above the comparable average of 39,600 in the first seven months of 1987.

GENERAL INDUSTRY STATISTICS (Sporting & Athletic Goods)

Employment & Earnings (continued)

Employment & Earnings in the Sporting & Athletic Goods Industry (SIC 3949)
Annual Averages 1984-1987; Monthly Average July 1987, 1988
(Employment in thousands)

	Month of July		Annual Average				
	1988(p)	1987	1987	1986	1985(r)	1984(r)	% Change 87/84
Employment, total	57.8	52.3	52.9	50.1	50.4	54.4	- 2.8%
Production workers	44.3	39.8	40.5	38.6	38.6	41.7	- 2.9
Avg. weekly earnings	$292.93	$286.55	$292.80	$280.30	$269.30	$273.10	+ 7.2
Avg. weekly hours	39.8	39.2	40.0	40.1	39.2	40.7	- 1.7
Avg. weekly overtime hours	2.8	2.5	2.3	2.2	1.9	2.9	-20.7

(p) preliminary
(r) revised

Source: U.S. Bureau of Labor Statistics:
Employment & Earnings

Industry Concentration

The latest official figures on the concentration of industry shipments by industry classification were issued by the U.S. Census Bureau as part of the series of reports based on the 1982 Census of Manufactures. In that year, the four largest companies with plants in the sporting/athletic goods industry had a 17% share of industry shipments; the top eight, a 28% share; the top 20, 44%; the top 50 companies, a 62% share. Since 1982, however, the profile of the industry has been changed by substantial restructuring and by competition from imports. Some firms have left the industry and others have consolidated.

In 1987, Prince, the market leader in tennis rackets, was sold by Chesebrough-Ponds to a privately held investment group; Allegheny International sold the exercise equipment producer Vitamaster to Fuqua Industries, which also purchased T.M. Pacer. Bike Athletic, which was acquired by Kazmaier Associates in 1986, sold its Athletic Helmet Inc. to Schutt Manufacturing, a face guard supplier.

In the latest County Business Patterns report issued by the Census Bureau, which covers operations in 1985, of the 1,539 plants classified in the sporting and athletic goods industry, 115 plants (7.5%) had 100 or more employees. This compares with comparable 1982 census figures showing 113 plants with 100 or more employees in the industry (7.3% of the 1982 total of 1,553 plants). In 1982, these plants accounted for 64% of value added by manufacture within the industry and for about 63% of industry shipments. Figures on these shares will not be available until the 1987 Census of Manufactures reports are released.

Industry Concentration (continued)

Concentration by Employment Size: 1985

	Plants		Employment (mid-March)	
	Number	Percent	Number	Percent
Sporting & athletic goods industry (SIC 3949)				
Total	1,539	100.0%	48,371	100.0%
Number of employees:				
Under 20	1,094	71.1	nr	--
20 to 99	330	21.4	14,145	29.2
100 to 499	108	7.0	22,581	46.7
500 or more	7	.5	nr	--
Motorcycle, bicycle & parts industry (SIC 3751)				
Total	242	100.0%	13,152	100.0%
Number of employees:				
Under 20	179	74.0	nr	--
20 to 99	50	20.7	2,168	16.5
100 to 499	8	3.3	2,295	17.4
500 or more	5	2.0	nr	--

nr not reported to avoid disclosure of individual company operations.

Source: U.S. Bureau of the Census:
1985 County Business Patterns

In its annual Survey of Industrial & Commercial Buying Power, Sales and Marketing Magazine estimated that in 1986 plants with 100 or more employees which were classified in the sporting/athletic goods industry accounted for 73% of industry shipments. Plants of this size classified in the motorcycle, bicycle and parts industry accounted for 87% of industry shipments based on dollar value.

Leading Manufacturers

The Fairchild Publications trade publication, SportStyle, compiles an annual list of the top companies in the business (The SportStyle 50). The listing for 1987 started with a volume of $48 million, while the lowest figure in the 1981 compilation was $24 million, reflecting the ability of large companies in the sporting goods and apparel industry to successfully compete in an increasingly difficult market.

GENERAL INDUSTRY STATISTICS (Sporting & Athletic Goods)

Leading Manufacturers (continued)

The Top 50 Manufacturing Companies Based on U.S. Sales: 1986, 1987
(Millions of dollars)

Rank	Company	1987	1986	Rank 1986
1	Reebok (Rockport, Frye, Avia Donner Mountain)	$ 1,221	$ 903	1
2	Nike	727	702	2
3	Russell	480	397	3
4	Tultex	348	327	4
5	Spalding	345	312	5
6	Ocean Pacific	333	293	7
7	Coleman	314	293	8
8	Adidas	302.3	250	10
9	Bassett Walker	296	296	6
10	Converse	274	214	14
11	Pannill	259	245	11
12	Wilson	250	234	12
13	Acushnet (Foot Joy, Titleist)	245.5	223	13
14	Jantzen	200	186	15
15	Stride Rite (Keds, Sperry, Herman's)	190	150	16
16	Fuqua	180.4	169.5	17
17	Champion	178	141	19
18	Woolrich	175	158	18
19	Catalina	110	102	23
20	Timberland	107	85	28
21	Puma	103.6	101	22
22	Izod/LaCoste	100	85	28
23	New Balance	100	90	27
24	MacGregor	98	85	28
25	Rawlings	90	104	21
26	Diversified Products	85	120	20
27	Weider	85	80	30
28	Etonic/Tretorn	83.1	61.3	34
29	Pacific Trail	82	78	31
30	Wolverine (also Brooks)	77.7	70	32
31	Fila	77.4	52	43
32	Pony	75	85	25
33	Northwestern	75	66	34
34	American Recreation	73	70	32
35	Hyde	71	65.3	36
36	Karsten	70	60	38
38	L.A. Gear	68.3	36.3	ne
39	Salomon	67.2	63	36
40	Weslo	67	50	43
41	Asics Tiger	66	45	50
42	Gotcha	65	50	50
43	Hobie	62	62	38
44	Speedo	57.5	49.5	45
45	Prince	54	55	41
46	Raichle Molitor USA	52.6	50	44
47	Excel	49.8	36.2	ne
48	Bike	49	59	40
49	Columbia	48	30	ne
50	Head Sportswear	48	40	ne

ne new entry

Source: SportStyle, June 13, 1988

Leading Manufacturers (continued)

The top five manufacturers listed below have been taken from a more detailed list compiled by SportStyle, covering 1986 and 1987 sales. Sources are market estimates or statements from corporate officers.

The Top Manufacturing Companies Based on U.S. Sales: 1986, 1987
(Millions of dollars)

Athletic Footwear (International)

	1987	1986
Adidas	2,350	2,000
Asics Tiger	830	800
Puma	500	500
Nike	257	241
Reebok	200	92

Athletic Footwear (Domestic)

	1987	1986
Reebok	991	841
Nike	597	557
Converse	263	205
Adidas	159	150

Rugged/Casual Footwear

	1987	1986
Rockport	152	92
Timberland	107	84.7
Sperry	62	60
Wolverine	40.7	37
Lacrosse	37	10

Equipment

	1987	1986
Coleman	174.8	157
American Recreation	73	70
Johnson Camping	26	24
Henderson Cam Products	22	24
East-Pak	16.7	15

Hunting/Fishing Apparel

	1987	1986
Woolrich	31	27
Walls	22.5	20
Columbia	14	10
Saf-T-Bak	13	12

Rugged Outerwear

	1987	1986
Woolrich	144	131
Pacific Trail	82	77.5
Patagonia	40	37
Helly-Hansen	14.3	12.7
Columbia	10	8

Home Exercise Equipment

	1987	1986
Weider	136	40
Ajay	95	67.8
Diversified Products	85	120
Excel	49.8	36.2
Marcy	40	40

Team Equipment

	1987	1986
Rawlings	90	88
Wilson	73	71
Spalding	60	53
Worth	33	30
MacGregor	31.5	30

Team Apparel

	1987	1986
Rusell Athletic	161.7	147
Champion	51.4	48
Starter	45	33
Delong	40.8	36.4
Bike	30	29

Ski Apparel

	1987	1986
CB Sports	31	31.5
Sport Obermeyer	28	27.5
Columbia	24	12
Head Sportswear	23.5	17
White Stag	18.3	17.4

Golf Clubs

	1987	1986
Nortwestern	66	58
Wilson	62	50
Karsten	58	50
Spalding	57	55
Taylor Made	37	22

Golf Balls

	1987	1986
Spalding	135	117
Titleist	115.5	95.7
Wilson	37	30
Dunlop	25	23

(continued)

GENERAL INDUSTRY STATISTICS (Sporting & Athletic Goods)

Leading Manufacturers (continued)

The Top Manufacturing Companies Based on U.S. Sales: 1986, 1987
(Millions of dollars)
(continued)

Golf Apparel	1987	1986
Pickering	30	28
Izod	29	27
Aureus	28.7	20
La Mode du Golf	16	15
Quantum	13	10

Tennis Apparel	1987	1986
Head Sportswear	16.5	15
Fila	14.4	14.5
Ellessee	12.5	12.5
Sergio Tacchini	10	7
Tail	10	9

Tennis Balls	1987	1986
Penn	40	35
Wilson	32.5	32.5
Dunlop	8	9
Slazenger	0.5	0.5

Tennis Racquets	1987	1986
Prince	41.6	43
Wilson	24.2	22
Head	16.8	14
Pro Kennex	15	15
Spalding	10	10

Fleece	1987	1986
Tultex	348	327
Bassett-Walker	296	296
Russell	260	237
Pannill	259	245
Champion	123	93

Performancewear	1987	1986
Hind	12.5	8.1
New Balance	6.5	6
Dolfin	6.5	6.3
Sub-4	6.5	4
Perfection	6	5

Activewear	1987	1986
Jantzen	72	72
Catalina	65	60
Izod/LaCoste	50	45
Le Coq Sportif	18	8
Jockey	15	15

Alpine Skis	1987	1986
Rossingnol	36	32.2
K2	20.5	18.4
Dynastar	15	13
Elan	14.7	13.4
Olin	13.6	15.1

Alpine Boots	1987	1986
Nordica	38.2	33
Salomon	34	31.4
Raichle	20.5	20.6
Lange	15.4	13.9
Tecnica	8.5	6.9

Alpine Binding	1987	1986
Salomon	24.5	21.3
Tyrolia	21.1	19.6
Marker	12	9.5
Geze	5.2	4.1
Look	4.8	6.5

Nordic Equipment	1987	1986
Trak	7.3	8.6
Salomon	6.9	6.3
Karhu	5.6	5.4
Fischer	5	4.8
Jarvinen	4.9	4.6

Competition Swimwear	1987	1986
Speedo	57.5	49.5
Arena	10	15
Hind	3.9	3.6
Tyr	2.5	1.5
Dolfin	2.1	1.7

(continued)

Leading Manufacturers (continued)

The Top Manufacturing Companies Based on U.S. Sales: 1986, 1987
(Millions of dollars)
(continued)

Athletic Footwear Apparel Sales

	1987	1986
Adidas	139.8	100
Nike	130	145
Reebok	47	39
Puma	37.8	35
Troop	18	na

Junior Swimwear

	1987	1986
Sassafras	29	32
OP Jrs.	23	23
Catalina Jrs.	15.6	13.2
Sunset Beach	13.2	10.5
Cole Jrs.	12	10

Beachwear

	1987	1986
OP	310	270
Gotcha	65	50
Hobie	62	62
Quiksilver	31.8	18.6
Jimmy'z	19	13

Source: SportStyle: June 13, 1988, July 11, 1988

Operating Results

One measure of the financial health of the sporting goods industry is the annual survey of financial performance by the Sporting Goods Manufacturers Association. SGMA reported that in 1987 industry sales of domestic companies grew by 6.4%. Sales after taxes (R.O.S.) were up 4.1%, matching the 1986/1985 gain. (These figures exclude Reebok as a second year of extraordinary performance by this one firm would distort the overall picture of the industry if included. The industry's 1987 R.O.S. would be 6.2% if Reebok was included.)

As of October 1988, SGMA estimated that annual 1988 industry sales will grow only 2% plus inflation due to the cautious attitude of retailers and manufacturers with regard to the economy and consumer spending. Profits are forecasted to slip 5-10% from the 1987 level. The financial performance study is developed from the actual balance sheets, income statements, and other financial data reported by 65 publicly and privately owned companies. These companies had a combined total of $6.5 billion in sales in 1987.

Plant Capacity Utilization

For the fourth quarter of 1986, plants in the sporting/athletic goods industry in the U.S. operated at only 50% of the industry's preferred rate, compared with an operating rate of 86% in the fourth quarter of 1985. (The preferred level is defined as a level, normally between actual operations and practical capacity, which the manufacturer would prefer not to exceed due to costs or other considerations.) The following figures represent the ratio of actual utilization to the preferred level of operations. A sharp pickup will undoubtedly be reported for 1988 in view of the rise in demand.

Preferred Capacity Utilization Rates: Fourth Quarters 1982-1986

	1986	1985	1984	1983	1982
Sporting/athletic goods industry	50	70	70	86	76
Motorcycle/bicycle/parts industry	80	82	nr	76	63

nr not reported

Source: U.S. Bureau of the Census: Current Industrial Reports; Survey of Plant Capacity, 1986 MQ-C1(86)-1

PRODUCT SHIPMENTS

The value of industry shipments covered in the section on GENERAL INDUSTRY STATISTICS, covers the value of all goods and services sold by plants classified in SIC 3949 (sporting/athletic goods) and SIC 3751 (motorcycles, bicycles, etc.), including both primary and secondary products. Product shipments, on the other hand, cover shipments of specified products, regardless of covered plants' SIC codes based on their primary products.

The Department of Commerce has analyzed the value of product shipments in terms of current dollars and in constant (1982) dollars to eliminate the effects of inflation, which accounted for a major share of gains since 1972.

Trends in the Value of Shipments of Sporting & Athletic Goods
Bicycles & Parts

	Compound Annual Percent Change 1972-1985	1980-1985
Shipments:		
Sporting & athletic goods		
Current $	+ 5.9%	+ 2.6%
1982 $	+ 0.5	+ 0.6
Bicycles & parts		
Current $	+ 2.4	- 3.5
1982 $	- 3.8	- 6.4

Source: U.S. Department of Commerce:
U.S. Industrial Outlook 1988

Information on product shipments is collected in detail in the complete Census of Manufactures compiled by the U.S. Department of Commerce, Bureau of the Census, every five years; the latest reports covering operations in 1982. In intercensal years, the Census Bureau compiled information on product shipments in summary form in annual surveys based on a representative sample of manufacturers with payroll.

According to recently issued findings in the 1986 annual survey, the value of domestic shipments of sporting and athletic goods increased 4.7% in current dollars over the 1985 total. This increase was brought about by the sharp gain noted in the value of exports, and reversed the downward trend in shipment value since 1982 attributed to the sharp growth in imports as many U.S. producers went offshore to take advantage of lower wage rates. A stronger dollar has both increased exports and made domestic products more competitive at home.

Predicated on continued strong growth in exports in 1987, the total value of shipments of athletic and sporting goods registered a gain again in 1987--at least 5% based on Department of Commerce projections. The strongest results reported for 1986 were found in golf equipment, with the value of shipments up almost 29% compared with 1985. The value of U.S. exports of golf equipment in this period were up almost 24%; in 1987 compared with 1986 the value of these exports soared 64%, according to the Department of Commerce. The overall 1987 value of sporting goods exports compared with 1986 rose 44%.

U.S. RECREATIONAL MARKET, 1987
Value of Manufacturers' Shipments
(Millions of dollars)

	($ in Mil.)
SPORTS EQUIPMENT	
Archery	$ 150
Total Baseball/Softball	335
Gloves & Mitts	170
Baseballs	40
Softballs	50
Bats	50
Batting Gloves	15
Protective	10
Basketball	75
Billiards	100
Bowling	150
Total Camping	700
Tents	100
Coolers/Chests	200
Sleeping Bags	80
Jugs/Containers	70
Backpacks	50
Other	200
Total Exercise	695
Exercise	620
Exercise Cycles	225
Rowing Machines	120
Home Gyms	70
Treadmills	50
Exercise Benches	10
Other Retail	115
Exercise-Institutional	75
Firearms & Hunting	1,000
Football	125
Total Golf	850
Balls	300
Clubs	350
Other	200
Ice Skates & Hockey	75
Optical Goods	250
Racquetball	75
Roller Skates	50
Skateboards	90
Scuba & Skin Diving	175
Snow Skiing-Alpine	270
Snow Skiing-X County	90
Soccer	50
Table Tennis	25
Total Tennis	260
Balls	75
Rackets	135
Other	50
Volleyball	35
Water Sports-Skis	70
Other	225
Fishing	685
Miscellaneous (e.g. Lawn Games, Darts, Indoor Games, Boxing, Cricket, Field Hockey, Gymnastics, Handball, Lacrosse, Martial Arts, Paddleball, Polo, Rugby, Sleds, Toboggans, Track & Field, Squash)	150
Team/Institutional	1,200
TOTAL SPORTS EQUIPMENT	$7,955

(continued)

U.S. RECREATIONAL MARKET, 1987
Value of Manufacturers' Shipments
(Millions of dollars)
(continued)

	($ in Mil.)
SPORTS APPAREL	
Socks	$ 830
Bathing Suits	750
Golf	250
Tennis	250
Jackets	350
Leotard/Fitness	150
Shorts	450
Ski	175
Sweatpants	520
Sweatshirts	780
Parkas/Vests	200
Team	180
Warm-Ups	250
Miscellaneous (Bowling, Cycling, Caps, Hunt/Fish)	500
Total Sports Apparel	$ 5,635
ATHLETIC FOOTWEAR	
Aerobic	875
Basketball	855
Fitness	350
Golf	120
Racquetball/Volleyball/Cycling	20
Running	805
Bowling, Soccer, Baseball, Football, Other Cleated	125
Tennis	650
Walking	100
Hiking/Hunting	100
Total Athletic Footwear	$ 4,000
Total Sporting Goods Equipment Sports, Apparel & Athletic Footwear	$17,590
RECREATIONAL TRANSPORT	
Bicycles	1,000
Motorcycles	1,766
ATV's	750
Pleasure Boats & Motors	7,600
Recreational Vehicles (Except Motor Homes)	4,368
Snowmobiles	200
Water Scooters	80
Total Recreational Transport	$15,764
Total Sports and Recreational Industries	$33,354

Source: Sporting Goods Manufacturers Association

PRODUCT SHIPMENTS

Value of Shipments of Specified Athletic Goods, Bicycles & Parts: 1982-1986
(Millions of current dollars)

	1986	1985	1984	1983	1982	% Change 1986/85
Sporting & athletic goods n.e.c.	$3,395.0	$3,242.1	$3,284.2	$3,126.7	$3,160.8	+ 4.7%
Fishing tackle & equip.	353.6	327.3	339.9	331.6	341.9	+ 8.0
Golf equipment	856.1	664.1	651.0	655.5	644.0	+28.9
Playground, gymnasium & exercise equipment	570.9	646.5	712.4	678.2	531.4	-11.7
Other sporting/ athletic goods	1,355.9	1,386.9	1,400.8	1,158.7	1,314.1	- 2.2
Type not specified	258.4	217.2	180.1	302.6	329.4	+18.9
Bicycles and parts	560.3	543.1	573.6	596.3	601.6	+ 3.2

n.e.c. not elsewhere classified

Source: U.S. Department of Commerce, Bureau of the Census: 1986 Annual Survey of Manufactures; Value of Product Shipments M86(AS)-2

Until findings on the complete 1987 census are reported by the Census Bureau, the results for 1982 provide the only government source for detailed information by product on domestic shipments (quantity and value). (See 1986 edition of the SPORTS/FITNESS/LEISURE MARKETS Fact File.)

However, in 1988 the Sporting Goods Manufacturers Association issued a report on the overall wholesale value of the sports/recreation industries and its components. The data is based on best estimates provided by key marketing personnel at sporting goods companies, trade associations and the U.S. Department of Commerce.

Concentration of Product Shipments

Share of Specified Sporting Goods Shipments Accounted For By The Largest U.S. Manufacturers, 1977, 1982

	Value (Mil. $)	% of Value Accounted For By Largest Companies			
		Top 4	Top 8	Top 20	Top 50
Sporting and athletic goods					
1982	$3,160.8	15%	26%	41%	59%
1977	2,216.9	18	26	39	54
Fishing tackle, equipment					
1982	341.9	37	55	71	85
1977	270.1	29	41	64	83
Golf equipment					
1982	644.0	44	62	89	98
1977	385.1	42	62	88	98
Playground, gym, exercise equipment					
1982	531.4	33	48	75	93
1977	257.8	31	47	73	93
Bicycles and parts					
1982	601.6	72	85	96	100
1977	490.4	76	92	99	100

Source: U.S. Bureau of the Census: 1982 Census of Manufactures; Concentration Ratios in Manufacturing, Subject Series MC82-S-7

U.S. PRODUCER PRICE & IMPORT PRICE LEVELS

As of July 1988, according to the Bureau of Labor Statistics, the index covering U.S. producer (or factory) prices for sporting and athletic goods as a whole stood at 106.2--indicating a rise of 6.2% over the base period: annual average for the year 1982. (Indexes for prices of specific types of sporting/ athletic goods have different base periods, as noted below.)

There has been an escalation in producer prices in 1988. The overall index for the year 1987 averaged 102.3. The July 1988 index was 3.8% above the average reported for July 1987. Comparable indexes for 1986 are not available because of a change in the base periods.

Producer Price Indexes on Sporting & Athletic Goods

	Index Base	July 1988	% Change From July 1987	Annual Avg. 1987
Sporting & athletic goods	1982 Avg.	106.2	+ 3.8%	102.3
Fishing tackle & equip.	Dec. '85	107.2	+ 4.9	103.8
Golf equipment	Dec. '85	107.9	+ 2.9	105.0
Bicycles, adult tricycles, unicycles & parts	Dec. '84	105.1	+ 5.9	98.8
Playground, gym & gymnastics equip.	Dec. '85	104.7	+ 0.5	103.9
Other sporting & athletic goods	Dec. '85	107.3	+ 4.4	102.4

Source: U.S. Dept. of Labor, Bureau of Labor Statistics

The devalued U.S. dollar has been effective in raising the price of imports, and U.S. manufacturers have been able to raise prices because of this, and also in reaction to higher costs in materials and labor. The BLS tracks trends in prices of imports and exports. Again, prices have escalated in 1988: the index for sporting goods imports at the end of the second quarter of 1988 was up 7.7% over the index at the same 1987 period. In measuring export prices, the BLS includes toys and games along with sporting goods. This index as of June 1988 was up 4.6% over the June 1987 index. The June 1988 index was up 9% over the base period (the 1985 average) for exports vs. 15% for imports.

Import & Export Price Indexes On Sporting & Athletic Goods
(1985 average = 100)

	Index		Percent Change Annual	Percent Change Quarterly	
	June '88	March '88	June '88 June '87	June '88 Mar. '88	Mar. '88 Dec. '87
IMPORT PRICES					
Sporting goods	115.0	112.7	+ 7.7	+ 2.0	+ 2.3
EXPORT PRICES					
Toys, games, sporting goods	109.0	107.8	+ 4.6	+ 1.1	+ 0.2

Source: U.S. Dept. of Labor, Bureau of Labor Statistics

FOREIGN TRADE

Imports' share of the total new supply of sporting and athletic goods (as classified in SIC 3949) increased from 20% in 1982 to an estimated 38% in 1987, according to the U.S. Census Bureau (1988 U.S. Industrial Outlook). The decline in the value of the U.S. dollar which made U.S. goods generally less expensive in countries which are our best customers for this merchandise resulted in a healthy pickup in U.S. exports.

U.S. exports in 1987 were valued at $476 million, up 44% over the 1986 total. The value of imports in 1987 amounted to $1,586 million, up 13% over the preceding years. The import values are defined as Customs Value, which is the price actually paid by the customer, not including freight, insurance, duties, etc. Export values are based on f.a.s. value, U.S. port of export.

While growth in the trade deficit slowed down last year, it increased from $1.0 billion in 1986 to $1.1 billion in 1987. A comparison of the value of imports vs. exports for key sporting goods equipment is compiled by the U.S. International Trade Commission and is shown below for years 1985-1987. In the first quarter of 1988, the trade deficit decreased 6% compared with the same 1987 period, as exports gained 58% vs. a 12% gain in imports.

U.S. Imports & Exports For Selected Sporting Goods: 1985-1987
(Value in millions of dollars)*

	1987	1986	1985	% Change 1987/86
Specified sporting goods				
Imports	$1,586.3	$1,400.8	$1,198.9	+ 13%
Exports	476.2	329.9	289.6	+ 44
Major types:				
Fishing tackle				
Imports	277.3	226.3	222.8	+ 23
Exports	29.0	23.0	19.6	+ 26
Golf equipment				
Imports	237.3	158.9	106.4	+ 49
Exports	177.8	108.5	87.6	+ 64
Lawn tennis equipment				
Imports	86.2	72.3	72.5	+ 19
Exports	21.6	24.7	35.5	- 13
Snow skis				
Imports	86.2	81.4	65.7	+ 6
Exports	15.1	12.1	11.5	+ 22
Bicycles				
Imports	557.9	458.2	350.6	+ 22
Exports	2.4	1.8	1.4	+ 34

* Imports are Customs Value; exports are f.a.s. value, U.S. port of export.

Source: U.S. International Trade Commission: U.S. Trade Shifts In Selected Commodity Areas (Quarterly Report)

FOREIGN TRADE

Golf equipment and gymnasium, gymnastic and exercise equipment accounted for the bulk of sporting goods exports in 1987, with a combined share of 43% of total value of sporting goods exports in 1987, according to the USITC. As noted above, exports of golf equipment as a whole rose 64% in value in 1987. Exports of golf clubs and parts increased 68% (from $73 million to $122 million), and exports of golf balls and other equipment rose 56% (from $36 million to $55 million). The primary market for golf exports was Japan (which had a 49% share of U.S. exports of golf clubs and parts and 31% of golf balls and other equipment).

Currently, the principal markets for U.S. sporting goods are Japan, Canada and the United Kingdom, which together accounted for 55% of total U.S. exports in the first quarter of 1988. The value of exports to these countries was up 62%.

Taiwan, Korea and Japan were the leading sources of imports of sporting goods accounting for 75% of total U.S. imports in the first quarter of 1988. Taiwan and Korea are major sources for such labor-intensive products as golf clubs and parts and fishing rods, as they have a competitive advantage over U.S. producers with their lower wage rates. However, domestic assemblers of golf clubs combine U.S.-made shafts and grips to produce price-competitive finished golf clubs. U.S. companies also are relocating production to the Caribbean Basin. These countries benefit from duty-free treatment under the Caribbean Basin Economic Recovery Act and the 807 Tariff schedule. Other companies are attempting to bring production of sporting goods back to the U.S. with the development of automated equipment which makes them competitive with foreign suppliers. An example is Spalding which is reporting to have invested $2 million in a new production process for softballs.

Imports

In addition to the Customs Value of imports, covered in the preceding paragraphs, figures are also compiled by the Census Bureau in terms of the C.I.F. value which includes the cost of the merchandise, plus insurance, freight charges, and other charges incurred in shipping from the country of exportation to the first port of arrival in the U.S. But U.S. import duties are not included. This value is closer to the value of domestic production.

The Census Bureau compiles monthly reports on imports' values which are cumulative from January through December, and which provide details by commodity classification and country of origin.

The C.I.F. value of sporting goods (including bicycles) imported by the U.S. in 1987 amounted to $2,261.9 million, up 45% over 1985. The sharpest gain, as previously noted, has been in golf equipment.

FOREIGN TRADE

Imports (continued)

Summary of Imports of Reported Sporting Goods Categories, 1984, 1985, 1987
(Millions of dollars)

	1987	1985	1984	% Change 1987/85
Reported sporting goods classifications, total	$2,261.9	$1,558.8	$1,464.7	+ 45.1%
Fishing equipment	289.5	233.5	208.8	+ 24.0
Golf equipment	247.9	111.1	104.9	+123.1
Tennis equipment (lawn)	90.0	75.5	94.0	+ 19.2
Baseball equipment	140.7	120.9	115.1	+ 16.4
Athletic balls, n.e.c.	105.9	72.1	64.7	+ 46.9
Skates (roller & ice)	51.3	37.6	37.5	+ 36.4
Ski equipment	155.6	117.9	111.3	+ 32.0
Bicycles with both wheels over 25 inches, and parts	562.5	388.8	380.6	+ 44.7
All other categories	618.5	401.4	347.8	+ 54.1

n.e.c. not elsewhere classified

Source: U.S. Census Bureau:
U.S. General Imports, FT 135 (December)

Detailed information on general imports of specific products within the above classifications were reported as shown in the following table covering 1985 and 1987. General imports include entries for immediate consumption, entries into customs bonded warehouses, and entries into U.S. Foreign Trade Zones.

General Imports of Specified Types of Sporting & Athletic Goods: 1985, 1987

	Value (C.I.F.*) (Millions of Dollars)			Quantity (Thous. of Units/Pairs)		
	1987	1985	% Change 1987/85	1987	1985	% Change 1987/85
Bagatelle, billiard & pool equip. (exc. tables) & parts	$17.5	$ 10.2	+ 71.6%	--	--	--
Table tennis equip. (exc. tables) & parts	5.8	3.4	+ 10.6	--	--	--
Tables designed for games	12.2	6.2	+ 96.8	--	--	--

(continued)

Imports (continued)

General Imports of Specified Types of Sporting & Athletic Goods, 1985, 1987 (continued)

	Value (C.I.F.*) (Millions of Dollars)			Quantity (Thous. of Units/Pairs)		
	1987	1985	% Change 1987/85	1987	1985	% Change 1987/85
Fishing equipment, total	$ 289.5	$ 233.5	+ 24.0%	--	--	--
Snelled fish hooks	2.2	1.4	+ 57.1	--	--	--
Fish hooks other than snelled	13.6	8.4	+ 61.9	--	--	--
Artificial baits & flies	28.3	17.7	+ 59.9	$137,729.5	100,351.5	+37.2%
Fishing rods	88.6	75.0	+ 18.1	19,401.4	15,518.0	+25.0
Parts of fishing rods	4.1	4.1	- 0 -	--	--	--
Fishing reels	118.6	102.3	+ 15.9	14,019.0	15,228.7	- 7.9
Parts of fishing reels	2.2	2.6	- 15.4	--	--	--
Sport fishing tackle & equip. & parts, n.s.p.f.	31.9	22.0	+ 45.0	--	--	--
Golf equip., total	247.9	111.1	+123.1	--	--	--
Golf balls	14.7	4.6	+219.6	35,150.6	11,567.9	+203.9
Golf clubs	28.1	17.3	+ 62.4	1,423.6	1,374.0	+ 3.6
Parts for golf clubs	140.1	43.9	+219.1	--	--	--
Golf gloves	48.4	32.3	+ 49.8	14,499.5	11,750.5	+23.4
Golf equip. & parts, n.s.p.f.	16.6	13.0	+ 27.7	--	--	--
Bicycles, having both wheels over 25 inches	380.0	252.0	+ 50.8	4,362.5	3,362.3	+29.7
Parts for bicycles, n.s.p.f.	182.5	136.8	+ 33.4	--	--	--
Lawn tennis equip., total	90.0	75.5	+ 19.2	--	--	--
Lawn tennis balls	2.1	1.2	+ 75.0	6,027.3	2,137.2	+182.0
Lawn tennis racquets, strung or not strung	72.9	61.9	+ 17.8	5,061.4	3,783.1	+33.8
Lawn tennis equip. & parts, n.s.p.f.	15.0	12.4	+ 21.0	--	--	--
Baseball equip., total	140.7	120.9	+ 16.4	--	--	--
Baseballs & softballs	55.1	49.8	+ 10.6	39,797.2	30,834.7	+29.1
Gloves & mitts for baseball & softball	61.4	54.7	+ 12.2	7,758.0	6,605.5	+17.4
Baseball equip. (exc. balls & gloves) & parts, n.s.p.f.	24.2	16.4	+ 47.6	--	--	--
All other balls, total	105.9	72.1	+ 46.9	--	--	--
Basketballs	36.4	31.4	+ 15.9	9,362.5	7,698.5	+21.6
Footballs	9.0	5.0	+ 80.0	3,265.6	1,842.6	+77.2
Soccer & polo balls	16.1	12.3	+ 30.9	4,523.6	3,345.8	+35.2
Bowling balls	**	**	--	2.8	0.9	+211.1
Balls for games & sports, n.s.p.f.	44.4	23.4	+ 89.7	--	--	--

(continued)

Imports (continued)

General Imports of Specified Types of Sporting & Athletic Goods: 1985, 1987 (continued)

	Value (C.I.F.*) (Millions of Dollars)			Quantity (Thous. of Units/Pairs)		
	1987	1985	% Change 1987/85	1987	1985	% Change 1987/85
Skates (roller & ice), total	$ 51.3	$ 37.6	+ 36.4%	--	--	--
Roller skates (incl. footwear with skates permanently attached) & parts	34.3	22.8	+ 50.4	--	--	--
Ice skates permanently attached to footwear (pairs)	15.5	13.1	+ 18.3	901.6	824.3	+ 9.4%
Ice skates not permanently attached to footwear (pairs)	0.3	0.1	+200.0	50.3	5.7	--
Ice skate blades & other parts	1.2	1.6	- 25.0	--	--	--
Ski & allied equip., total	155.6	117.9	+ 32.0	--	--	--
Snow skis (pairs)	70.8	54.5	+ 29.9	1,160.1	1,292.6	- 10.2
Tobbogans	3.6	2.1	+ 71.4	879.7	422.9	+108.0
Ski equip. (water ski, bindings, poles, etc.) n.s.p.f.	81.2	61.3	+ 32.5	--	--	--
Hockey equip. (exc. skates) & parts	22.4	21.2	--	--	--	--
Archery equip. & parts	6.9	4.2	+ 5.7	--	--	--
Playground, gymnasium, gymnastic & exercise equip., n.s.p.f.	310.0	188.6	+ 64.4	--	--	--
Badminton equip. & parts thereof	8.4	4.9	+ 71.4	--	--	--
Game, sport, or athletic equip., n.s.p.f.	235.3	162.7	+ 44.6	--	--	--

-- not pertinent

n.s.p.f. type not specified.

* The C.I.F. value refers to the value of imports at the first port of entry in the U.S. It is based on the purchase price, including all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

** Value, less than $100,000.

Note: Data on imports of activewear is not available separately from general-use apparel for the most part, and therefore not included in the above table.

Source: U.S. Bureau of the Census:
U.S. General Imports, FT 135, (December 1987, 1985)

ACTIVEWEAR

Product Shipments

Production statistics reflect the continued growth in the number of women participating in active sports and fitness activities. In addition, the ubiquitious sweatshirt has become a fashion symbol of a casual lifestyle as well as part of a sports wardrobe. The following table summarizes information on U.S. production of types of activewear for men and women which are designed primarily for active sports participation--although many consumers may use them only for casual wear.

Production & Value of shipments of Specified Active Sportswear: 1986, 1987
(Quality in 1,000 dozens; Value in Millions of Dollars)

	Quantity 1987	Quantity 1986	% Change 1987/86	Value 1987	Value 1986	% Change 1987/86
Total reported values	--	--	--	$2,474.1	$2,219.6	+11.5%#
Men's & boys':						
Sweatshirts	10,764	9,559	+ 12.6	533.7	522.8	+ 2.1
Sweatpants	4,571	4,702	- 2.8	245.6	263.2	- 6.7
Warm-up or jogging suits	535	517	+ 3.5	65.1	64.8	+ .5
Swimwear, total (fashion & competitive)	787	1,348	- 41.6	68.0	122.7	- 44.6
Team sports uniforms, total	971	814	+ 19.3	93.5	76.4	+ 22.4
Ski jackets, incl. vests	65	85	- 23.5	30.2	46.1	- 34.5
Ski pants	11	7	+ 57.1	8.6	5.6	+ 53.6
Skiwear	78	40.5	+ 92.6	93.0	52.4	+ 77.5
Ski suits	2	1.0	+100.0	1.7	0.7	+142.9
Women's, Misses' & Juniors':						
Athletic shorts, incl. jogging shorts, tennis skirts, etc.	2,507	2,081	+ 20.5	207.2	174.9	+ 18.5
Sweatpants	1,829	1,134	+ 61.3	96.9	69.2	+ 40.0
Sweatshirts	3,158	1,929	+ 63.7	174.5	118.6	+ 47.1
Body suits and body shirts	73	240	- 69.6	7.1	36.2	- 80.4
Warm-up or jogging suits	1,261	837	+ 50.7	120.9	79.8	+ 51.5
Swimsuits, total (fashion & competitive)	2,996	3,051	- 1.8	471.3	444.2	+ 6.1
Ski jackets, incl. vests	17	19	- 10.5	17.5	19.3	- 9.3
Ski pants	9	7	+ 28.6	7.7	5.5	+ 40.4
Team sports uniforms	na	244	--	na	15.2	--
Girls' & Children's*						
Jogging Suits	1,176	484	+143.0	97.0	46.7	+107.7
Swimsuits	860	721**	+ 19.3	50.9	43.5**	+ 17.0
Sweatpants	11,232	2,556	+339.6	38.0	11.8	+222.0
Sweatshirts	1,237	na	--	45.7	na	--

na not available
not exactly comparable due to na.
* Includes boys' sizes 2T to 4T and 4 to 7.
**Infants' sizes were included in 1986 but not in 1987.

Source: U.S. Bureau of the Census:
Current Industrial Reports MA-23A (87)-1

ATHLETIC FOOTWEAR

Production/Shipments

Two distinct classifications of the U.S. footwear industry are involved in athletic footwear: products with rubber or plastic soles vulcanized to fabric uppers; i.e., tennis shoes and various types of athletic and leisure shoes; non-rubber footwear which includes jogging and running shoes, golf shoes, rubber-soled shoes with leather or plastic uppers, etc.

The narrow definition of athletic footwear which applied mainly to category specific sports has been broadened greatly to encompass a much larger classification--"athleisure" footwear. These shoes have a "sporty" look and can be worn not only for active sports but for aerobics, leisure or street wear.

According to a study funded by the Sporting Goods Manufacturers Association, the most significant trend in the athletic footwear industry is the consumer shift away from purchasing shoes for use in the category-specific sport to buying shoes for casual wear.

There has been a continued decline in the U.S. production and shipment of rubber/fabric footwear during the past eight years, from 98 million pairs in 1980 to 68.4 million in 1987. Compared to 1986, domestic production of "sneaker" type footwear declined 18% in 1987. According to Footwear Industries of America, in 1987 the market supply of rubber/fabric footwear was 190 million pairs, of which 122.6 million units, or 64.5%, were imported.

U.S. production of non-rubber athletic shoes totaled 7.6 million pairs in 1987 compared to 9.4 million in 1986, a 19% decline.

For the first six months of 1988, U.S. production of non-rubber athletic footwear was 3.5 million pairs compared to 4.2 million during a similar period in 1987; a 17.8% decline.

Production of Non-rubber Athletic Shoes for Men, Women & Children: 1985, 1986, 1987
(Thousands of pairs)

	1987	1986	1985
Athletic shoes, total	8,017	9,350	10,819
By type:			
Court shoes	na	2,140	1,615
Running or jogging shoes	na	3,845	5,363
Cleated shoes, except golf shoes	na	9	81
All other	na	3,356	3,760
By sex:			
Men's	na	4,089	5,434
Women's	na	2,617	2,991
Children's	na	2,644	2,394
By material:			
Leather uppers	na	1,982	1,513
Plastic (vinyl) uppers	na	244	149
All other materials	na	745	1,070

na not available

Source: U.S. Bureau of the Census: Current Industrial Reports; Footwear MA31A(87)-1

Production/Shipments (continued)

Quantity & Value of Shipments of Non-rubber Athletic Footwear, 1985-1987
(Quality in 1,000 pairs; Value in millions of dollars)

	Quantity			Value			% Change
	1987	1986	1985	1987	1986	1985	1987/85
Athletic footwear (men's women's & children's)	8,095	9,479	10,804	88,916	$123,885	$162,839	-45.4%

Source: U.S. Bureau of the Census: Current Industrial Reports; Footwear MA31A(87)-1

The SPGMA estimates the 1987 wholesale value of athletic footwear by product sector as follows:

Product Sectors	Estimated Wholesale Value 1987
Total Athletic Footwear	$4,000 million
Aerobic	875
Basketball	855
Fitness	350
Golf	120
Racquetball/Volleyball/Cycling	20
Running	805
Bowling, Soccer, Baseball, Football & Other Cleated	125
Tennis	650
Walking	100
Hiking/Hunting	100

Source: The Sporting Goods Manufacturers' Association

Concentration of Shipments

In the non-rubber athletic footwear industry, the Census Bureau's 1982 census counted 30 companies with annual shipments of $100,000 or more. (Total product shipments were valued at $219.3 and 16.6 million pairs were shipped.) The share of shipments accounted for by the largest companies in a general category, of which 85% was non-rubber athletic footwear showed the 20 largest companies accounting for 86% of shipments, the eight largest, 53% of the four largest, 32%.

Shipments of rubber/plastic footwear, including tennis shoes, running, basketball, etc., were reported at $536.1 million in 1982. There were 36 companies in the industry with shipments valued at $100,000 or more, but the 20 largest companies accounted for 96% of shipments. The eight largest accounted for 70%; the four largest 45%.

Concentration of Shipments (continued)

The Census Bureau changed the system in reporting on production of non-rubber athletic footwear by type in 1984. However, as previously noted, the total declined 24% from 18,307,000 pairs in 1983 to 13,980,000 in 1984. About 41% of 1984 production were of shoes with plastic (vinyl) uppers, 54% had leather uppers, about 5% had uppers of other materials.

The market share held by the top five athletic shoe bands has been estimated as follows:

Company	Percent
Reebok	32%
Nike	25
Converse	10
Avia	6
Adidas	5

Source: Advertising Age (Sept. 26, 1988)

Imports

Imports of athletic footwear totaled 335 million pairs in 1987, compared to 228 million pairs in 1986, about 31% of all footwear imports and a 2.1% decline compared to the earlier year.

Imports of non-rubber athletic footwear totaled 216.6 million pairs in 1987, compared to 230 million in 1986, a 6.2% decline. Nevertheless, imports represented 96.1% of the U.S. athletic footwear business in 1987.

Athletic shoes with fabric uppers (joggers, sneakers, etc.) totaled 119 million pairs compared to 99.1 million pairs in the previous year, a 20.6% increase over 1986. This category combining, fabric and rubber, represented 11.1% of total imports, up from 9.4% in 1986.

In terms of dollars, athletic footwear imports totaled $2.2 billion in 1987, up 8.2% from the $2 billion the previous year. Athletic footwear accounted for about 31% of the total value of all imported footwear. Joggers and sneakers (shoes with fabric uppers) accounted for $295 million in imports up 38% from the $214 million in 1986.

U.S. Athletic Footwear Imports-(Pairs): 1986-1987

	1987		1986		
	Pairs (000)	% of Total	Pairs (000)	% of Total	% Change 1987/86
ATHLETIC, TOTAL	335,112.3	31.0%	328,371.2	31.1%	+ 2.1
Leather uppers, total (n)	156,266.1	14.5	175,604.0	16.6	-11.0
Men's & boys'	92,819.3	8.6	101,230.3	9.6	- 8.3
Women's & children's	63,317.5	5.9	74,100.5	7.0	-14.6
Ski boots	129.3	0.0	273.2	0.0	-52.7
Fabric uppers, total (r)	119,526.5	11.1	99,119.5	9.4	+20.6
Joggers	9,839.0	0.9	10,485.6	1.0	- 6.2
Sneakers	66,091.1	6.1	42,673.9	4.0	+54.9
Others	43,596.4	4.0	45,960.1	4.3	- 5.1
Lined vinyl uppers, total (n)	59,319.7	5.5	53,647.7	5.1	+10.6
Men's & boys'	27,164.4	2.5	21,475.3	2.0	+26.5
Women's & misses'	21,210.3	2.0	22,684.0	2.1	- 6.5
Children's & infants'	8,784.5	0.8	7,214.4	0.7	+21.8
Ski boots	2,160.5	0.2	2,274.0	0.2	- 5.0

n = non-rubber r = rubber

ATHLETIC FOOTWEAR

Imports (continued)

U.S. Athletic Footwear Imports Value: 1986-1987

	1987			1986			
	Value ($000)	% of Total	Avg. Value Per Pair	Value ($000)	% of Total	Avg. Value Per Pair	%Change 1987/86
ATHLETIC, TOTAL	2,204,239.9	30.8	6.58	2,036,601.0	31.8	6.20	+ 8.2
Leather uppers, total (n)	1,546,138.6	21.6	9.89	1,496,369.5	23.4	8.52	+ 3.3
Men's & boys'	991,515.0	13.8	10.68	918,518.0	14.4	9.07	+ 7.9
Women's & children's	551,811.2	7.7	8.71	573,402.2	9.0	7.74	- 3.8
Ski boots	2,812.4	0.0	21.75	4,449.3	0.1	16.29	-36.8
Fabric uppers, total (r)	294,580.8	4.1	2.46	214,022.9	3.3	2.16	+37.6
Joggers	47,435.4	0.7	4.82	42,642.5	0.7	4.07	+11.2
Sneakers	180,386.3	2.5	2.73	103,748.2	1.6	2.43	+73.9
Others	66,759.2	0.9	1.53	67,632.2	1.1	1.47	- 1.3
Lined vinyl uppers, total (n)	363,520.4	5.1	6.13	326,208.6	5.1	6.08	+11.4
Men's & boys'	140,100.8	2.0	5.16	103,755.8	1.6	4.83	+35.0
Women's & misses'	94,088.8	1.3	4.44	101,105.9	1.6	4.46	- 6.9
Children's & infants	32,585.6	0.5	3.71	25,126.2	0.4	3.48	+29.7
Ski boots	96,745.2	1.3	44.78	96,220.6	1.5	42.31	+ 0.5

n = non-rubber r = rubber

Source: Fairchild Market Research Department; based on U.S. Dept. of Commerce and International Trade Commission Reports.

Although almost one-third of all imports were athletic shoes, percentage growth in the category was slower than in 1986, rising only 8.2% in value and 2.1% in pairs. Last year's doubling in pairs and value in athletic shoes with lined vinyl uppers was not repeated this year, though men's and boys' shoes of this type jumped 35% in value, and children's and infants' gained 29.7%.

Driven by sneakers, imports of footwear with fabric uppers (which also included joggers) grew 37.6% to $294.6 million in 1987, representing 119.5 million pairs. South Korea, China, Mexico and Taiwan dominated the market. Sneaker imports climbed by almost 74% in pairs, while value grew by about 55% over 1986. The popularity of high-top canvas basketball shoes contributed to a rise in Korean imports of 72% in pairs and 91% in dollars in this category, according to the U.S. International Trade Commission.

Ski boots with leather uppers experienced the most dramatic drop, declining by more than half in pairs and almost 37% in value in 1987. Ski boots with lined vinyl uppers did not take up the slack, remaining stable in the total value imported, and declining marginally in pairs.

ATHLETIC FOOTWEAR

Trends in U.S. Producer Prices Vs. Import Prices

The Bureau of Labor Statistics tracks changes in the level of athletic footwear prices charged by U.S. producers (factory prices) and in import prices. A sharp rise is noted in 1988 on imports. Import prices have risen due to devaluation of the dollar, to rising material costs and to competitive conditions, and except for the dollar devaluation these pressures are also affecting domestic prices.

In July 1988, producer price indexes for athletic footwear out of U.S. factories registered 110.1 for all athletic footwear--or 10.1% above the base period for the index, the 1982 average. Prices for athletic footwear designed for sports had an index of 115.8, or 15.8% above the 1982 average. In July 1988, prices for this footwear were up 3.0% over July 1987, and the July 1988 index compares with an average of 112.6 in 1987. (Indexes for earlier years are not available due to a change in the index base.)

As of June 1988, prices of imported athletic footwear were up almost 16% compared with June 1987, and were 9% above the March 1988 level.

U.S. Producer Prices on Athletic Footwear
(Indexes: 1982 averages = 100)

	July 1988	% Change From July 1987	Annual Average 1987
Athletic footwear	110.1	+ 1.9%	108.2
Athletic footwear designed for sports	115.8	+ 3.0	112.6

Source: U.S. Bureau of Labor Statistics

Indexes of Import Prices On Athletic Footwear
(1985 Average = 100)

Index		Percent Change		
		Annual	Quarterly	
June 1988	March 1988	June 88/ June 87	June 88/ March 88	March 88/ Dec. 87
124.1	113.9	+ 15.9	+ 9.0	+ 1.4

Source: U.S. Bureau of Labor Statistics

For the first half of 1988 footwear imports increased 48.1%. Factory price increases pushed the dollar amount of athletic footwear imports up 48.1% to $1.46 billion in 1988, compared with the same period in 1987, according to a recent report by the Sporting Goods Manufacturers Association (SGMA). In the first half of 1987, athletic footwear imports totaled $986.5 million, the SGMA reported. In comparison, athletic shoe import units for the first half of 1988 grew 17.2% to 192 million pairs from 164 million pairs in the same period in 1987, the SGMA advised. The SGMA compiled its figures using U.S. Census Bureau statistics.

The value of leather athletic footwear imports during the first half of 1988 increased by 49.6% over $703.1 million in the same period last year, to a total of $1.05 billion. the value of nonleather athletic footwear imports rose 44.5% over $283.4 million the same period for 1987, to a total of $409.2 million.

CONSUMER MARKETS

Size of the Potential Market

Market prospects are enhanced by current demographic trends. The fastest growing segment of the population between 1988 and 2005 will be the 35-54 year old age group. This group is the most interested in sports participation, in fitness, and in fashionable sportswear; and it is in its prime earning years. As this group grows, sales of sporting goods are expected to grow.

Currently, the 35-54 year age group represents 24.2% of the U.S. population. By 2005, it is expected to increase to 29.7%.

With the generally accepted income-sensitivity of the sporting goods market, the influx of women into the work force is also aiding the boost in sales. As more and more women join the labor force, the median household income has risen dramatically. With less free time, these women are buying more fitness equipment for home use, as well as joining organized fitness groups.

POPULATION PROJECTIONS - 1988*, 1995*, 2005*
(Middle Series*)

	Number (Thousands)			% Change	Percent Distribution		
	1988	1995	2005	1995/1988	1988	1995	2005
MALE							
Total, all ages	119,390	126,368	134,297	+ 5.8%	100.0%	100.0%	100.0%
Under 5 years	9,740	9,529	8,931	- 2.1	8.1	7.5	6.6
5 to 9 years	9,197	9,895	9,094	+ 7.6	7.7	7.8	6.8
10 to 15 years	9,940	11,465	11,698	+ 15.3	8.3	9.1	8.7
16 years & over	90,513	95,482	104,574	+ 5.5	75.8	75.6	77.9
16 - 19	7,474	6,804	8,058	- 9.0	6.3	5.4	6.0
20 - 34	31,625	29,166	27,416	- 7.8	26.5	23.1	20.4
35 - 54	29,134	36,206	40,769	+ 24.3	24.4	28.6	30.4
55 - 64	10,079	9,865	14,060	- 2.1	8.4	7.8	10.5
65 & over	12,201	13,441	14,271	+ 10.1	10.2	10.6	10.6
Median age (years)	31.1	33.4	36.0	+ 7.4	--	--	--
FEMALE							
Total, all ages	125,911	133,191	141,381	+ 5.7	100.0	100.0	100.0
Under 5 years	9,289	9,086	8,518	- 2.2	7.4	6.8	6.0
5 to 9 years	8,786	9,443	8,678	+ 7.5	7.0	7.1	6.1
10 to 15 years	9,500	10,954	11,167	+ 15.3	7.5	8.2	7.9
16 years & over	98.337	103,710	113,016	+ 5.5	78.1	77.9	80.0
16 - 19	7,161	6,517	7,707	- 9.0	5.7	4.9	5.5
20 - 34	31,141	28,497	26,706	- 8.5	24.7	21.4	18.9
35 - 54	30,236	37,190	41,249	+ 23.0	24.0	27.9	29.2
55 - 64	11,469	11,059	15,399	- 3.6	9.1	8.3	10.9
65 & over	18,330	20,447	21,954	+ 11.5	14.6	15.3	15.5
Median age (years)	33.6	35.9	39.2	+ 6.8	--	--	--

(continued)

POPULATION PROJECTIONS - 1988*, 1995*, 2005*
(Middle Series*)
(continued)

	Number (Thousands)			% Change	% Distribution		
	1988	1995	2005	1995/1988	1988	1995	2005
MALE & FEMALE							
Total, all ages	245,302	259,559	275,677	+ 5.8	100.0%	100.0%	100.0%
Under 5 years	19,029	18,615	17,449	- 2.2	7.7	7.2	6.3
5 to 9 years	17,983	19,338	17,772	+ 7.5	7.3	7.4	6.5
10 to 15 years	19,440	22,419	22,865	+ 15.3	7.9	8.6	8.3
16 years & over	188,850	199,192	217,590	+ 5.5	77.0	76.7	78.9
16 - 19	14,635	13,321	15,766	- 9.0	6.0	5.1	5.7
20 - 34	62,766	57,663	54,112	- 8.1	25.6	22.2	19.6
35 - 54	59,370	73,396	82,018	+ 23.6	24.2	28.3	29.7
55 - 64	21,548	20,924	29,459	- 2.9	8.8	8.1	10.7
65 & over	30,531	33,888	36,225	+ 11.0	12.4	13.0	13.1
Median age (years)	32.3	34.7	37.6	+ 7.4	--	--	--

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mo tality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census: Current Population Reports, Series P-25, No. 952 (May 1984)

NOTE: For information on Money Income By Age, Household Income, etc., see the Fact File on CONSUMER MARKET DEVELOPMENTS (published annually).

Sports Participation

Swimming, exercise walking, bicycling and fishing drew the most participants in 1987 among the 40 sports activities survey by the National Sporting Goods Association. Swimming was number one with 66.1 million participants; exercise walking, 58.1 million and fishing, 45.8 million. A participant is defined as someone seven years of age or older, who plays a sport more than once within a year. For swimming, exercise walking, bicycling, exercising with equipment, running/jogging and aerobics, participation is defined as playing the sport six times or more within the year. The survey polled more than 50,000 Americans.

Exercise walking was the only activity survey in which the 55 plus age group exceeded their percentage of the U.S. population. This group represents 23.8% of the population seven years of age or older and 27.4% of all exercise walkers.

Sports Participation (continued)

Sports Participation 1987 vs. 1986
(Participated more than once, seven years of age and older)

	(Millions) 1987	1986
1. Swimming	66.1	72.6
2. Exercise Walking	58.1	53.5
3. Bicycle Riding	53.2	49.7
4. Fishing	45.8	47.5
5. Camping	44.2	41.2
6. Bowling	40.1	34.2
7. Exercising/Equipment	34.8	32.0
8. Boating (motor)	30.9	25.5
9. Billiard/Pool	29.3	na
10. Basketball	25.1	21.2
11. Running/jogging	24.8	23.1
12. Volleyball	23.6	20.7
13. Aerobic Exercising	23.1	21.9
14. Softball	21.6	20.9
15. Hunting/Shooting	20.7	20.5
16. Golf	20.3	20.0
17. Rollerskating	19.8	na
18. Tennis	16.9	18.0
19. Hiking	17.4	17.0
20. Calisthenics	17.1	na
21. Baseball	15.2	13.9
22. Football	15.0	12.0
23. Table Tennis	14.1	8.5
24. Dart Throwing	13.1	9.0
25. Water Skiing	10.8	11.9
26. Skiing Alpine	10.3	9.7
27. Soccer	9.8	8.2
28. Backpacking	8.9	8.0
29. Canoeing	8.5	7.6
30. Racquetball	7.9	7.8
31. Skateboarding	7.0	na
32. Ice/Figure Skating	6.4	4.4
33. Sailing	5.3	5.1
34. Skiing (Cross Country)	5.0	4.7
35. Archery	4.9	5.1
36. Scuba	2.3	1.6
37. Kayaking/Rafting	1.6	na
38. Ice Hockey	1.2	1.1
39. Boardsailing	0.8	1.3
40. Surfboarding	0.9	na

Source: National Sporting Goods Association

Women continue to be a major factor in the growth of the sports/fitness market as they actively participate in increasing numbers. While men still represent the largest number of active participants in most sports, growth in the market is being fueled by women, according to the NSGA. Women constitute a majority of participants in 10 of 40 activities surveyed in 1987. Women represent 2/3rds or more of participants in aerobic exercising (85.5%) and exercise walking (64.6%). Women are a majority in five of seven activities characterized as fitness activities: aerobic exercising, exercise walking, calisthenics, swimming and bicycle riding. In two others, exercising with equipment and running/jogging, women represent 46.6% and 42.7% of participants. Only in volleyball do women represent a majority in team sports, (50.4%).

Sports Participation (continued)

	1987 Sports Participation	
	% Female	Total (Millions)
Aerobic Exercising	85.5%	23.1
Exercise Walking	64.6	58.1
Roller Skating	61.1	19.8
Ice/Figure Skating	61.0	6.4
Calisthenics	54.6	17.1
Cross Country Skiing	50.1	5.0
Swimming	52.7	66.1
Bicycle Riding	51.4	53.2
Bowling	51.0	40.1
Volleyball	50.[illegible]	23.6

CONSUMER PRICE TRENDS

As measured by the Consumer Price Index compiled by the Bureau of Labor Statistics, retail prices of sporting goods and equipment, not including vehicles or bicycles, in July 1988 was up 5.4% compared with the index in the same 1987 month. The CPI for sporting goods was 105, or 5% over the average in the base period, 1982-84.

As noted in wholesale prices, the upturn has been sharp in 1988. In 1987, the sporting goods CPI was only 100.8, registering a 1.8% gain over the 1986 average.

Consumer Price Index For All Urban Consumers
(1982-1984 average = 100)

	Index July '88	% Change From July 1987	Annual Average Index 1987	1986	% Change 1987/86
Sporting goods & equipment incl. vehicles, etc.	108.3	+ 4.4%	104.3	104.0	+ 0.3%
Sports vehicles, bicycles, etc.	109.2	+ 3.4	105.6	105.5	- 0.1
Other sporting goods	105.0	+ 5.4	100.8	99.0	+ 1.8

Source: U.S. Department of Labor, Bureau of Labor Statistics

RETAIL SALES

Total retail sales of sporting goods, apparel and athletic footwear are estimated to have reached $17.9 billion in 1987 and are expected to grow by 4% to $18.2 billion in 1988, according to the National Sporting Goods Association.

Sales of recreational transport equipment (bicycles, pleasure boats and motors, recreational vehicles and snowmobiles) grew 14.6% in 1987 to $15.9 billion. This compares to the previous year's $13.8 billion. Sales of all sporting goods and recreational transport equipment grew 4% in 1987, totaling $33.7 billion compared to $30.6 billion in 1986.

The data is reported in "The Sporting Goods Market in 1988" an annual tracking study, sponsored by NSGA, which projects 1987 consumer purchases of sporting goods based on a survey of 80,000 U.S. households.

RETAIL SALES

Projected Sales of Sporting Goods
(Millions of Dollars)

	1987	1988 Forecast
Athletic & Sport Clothing	$ 4,645.1	$ 4,846.0
Athletic & Sport Footwear	3,445.4	3,577.0
Athletic & Sport Equipment	9,768.8	10,172.0
Subtotal	17,859.3	18,595.0
Recreational Transport	15,873.0	16,547.0
	$33,732.3	$35,142.0

RETAIL SALES BY STORE TYPE

The only official information on merchandise line sales in specific types of retail outlets is that made available every five years by the U.S. Bureau of the Census, based on a complete survey of all retail outlets with one or more paid employees. The most recent census, covering operations in 1982, has been released by the Bureau within the last year, and specialized reports are still scheduled for release by the Bureau.

Sales of sporting goods, as defined by the Census Bureau, include team goods sold to teams and institutions by retailers (as well as sales of team goods at retail), sports equipment (tennis, golf, ski, etc.), camping equipment, firearms, hunting equipment, trophies and plaques, bicycles, boats, and other sporting goods. Activewear is not included.

Total sales of this classification through retail outlets with payroll amounted to $13,038 million in 1982, representing a gain (in current dollars) of 38% compared with the 1977 total of $9,451 million.

A total of 70,468 retail establishments were included in the 1982 sales total. Comparable figures for 1977 are not available, however, due to a change in the treatment of leased departments, which particularly affected the counts on general sporting goods stores in 1982. In that year, the Census Bureau made a change in the treatment of leased departments. In earlier years, the data on leased departments was combined in data on the lessor stores; in 1982, however, leased departments were counted as separate retail establishments in their specific type of business. (See section on Sporting Goods Stores.)

Sporting Goods & Related Product Sales By Major Type of Retail Outlet, 1982
(Establishments with payroll)

	Number of Establishments	Sales	
		Thous. $	Percent
Sporting goods & equipment, total	70,468	$13,038,094	100.0%
General merchandise store group, total	14,615	2,859,631	21.9
Department stores	5,909	1,994,501	15.3
Variety stores	4,036	215,941	1.7
Misc. general merchandise stores	4,670	649,189	5.0
Boat, vehicle, automotive dealers	5,284	2,578,107	19.8
Sporting goods stores, total*	20,152	5,624,145	43.1
General line sporting goods stores	9,252	3,110,916	23.9
Specialty line sporting goods stores	10,900	2,513,229	19.3
Other retail (mail order house, hardware stores, hobby shops, etc.)	30,417	1,976,211	15.2

* Includes leased sporting goods departments operated in general merchandise stores as noted in introductory paragraph. (See section on Sporting Goods Stores.)

Source: U.S. Bureau of the Census:
1982 Census of Retail Trade RC82-1-3

RETAIL SALES BY STORE TYPE

Sporting Goods Stores

The 1982 Census of Retail Trade counted 20,152 sporting goods stores and bicycle shops in operation anytime during that year. This included bicycle shops in the 9,881 specialty sporting goods stores operating in 1982 plus 18,590 general line sporting goods stores. A total of 15,907 firms operated these stores.

The latest available store counts from the Census Bureau covering the year 1985 showed a total of 18,309 sporting goods stores, including general line and specialty line stores, in the U.S. Distribution of stores by size, based on number of employees was reported as follows:

Sporting Goods Store Distribution By Number of Employees: 1985

	Stores		Employees	
	Number	Percent	Number	Percent
Sporting goods stores, total	18,309	100.0%	104,132	100.0%
Employment size class:*				
1 to 4	11,624	63.5	20,521	19.7
5 to 9	3,762	20.6	24,564	23.7
10 to 19	2,004	10.9	26,677	25.6
20 to 49	783	4.3	22,174	21.3
50 to 99	117	0.6	7,484	7.2
100 or more	19	0.1	2,622	2.5

* Based on counts for individual stores, not company totals.

Source: U.S. Bureau of the Census:
County Business Patterns, 1985

Detailed information on the distribution of sporting goods firms and stores by sales size, as well as sales by merchandise line, was reported in the 1982 Census of Retail Trade, which is currently being updated by the Census Bureau covering sales in 1987. (The information reported in the 1982 Census was covered in the 1986 edition of the SPORTS/FITNESS/LEISURE MARKET Fact File.)

Current information on sales of sporting goods stores (including bicycle shops) is reported in monthly and annual data issued by the Census Bureau. In 1987, total sales of these stores reached $13,382 million. This was 78% higher than the $7,515 million total (in current dollars) in 1982. Leased departments operated in general merchandise stores, etc., are included in the sporting goods store data.

The monthly pattern in 1987 sales was as follows:

Sporting Goods Sales Distribution By Month: 1987

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
100.0%	6.4	6.3	6.8	7.6	8.1	9.0	8.7	9.1	8.1	7.6	8.8	13.5

Source: Based on U.S. Bureau of the Census:
Revised Monthly Retail Sales and Inventories BR-13-87S

RETAIL SALES TRENDS BY TYPE OF SPORT

Exercise Equipment

The Sporting Goods Manufacturers Association believes the peak year for exercise equipment was 1985. The $901 million in equipment sold that year dropped by 20% to $724 million in 1986, recovering only 2% in 1987 with sales at $738 million. Forecasts are for 5% growth in 1988. Despite the lower value of the dollar, imports still account for three-quarters of all equipment sold in the U.S, although most is at the low end of the price range. In some categories import penetration is even higher, 90% of all stationary bicycles and 93% of rowing machines are imported. The number of imports has remained stable over the last few years.

Sophisticated electronics, such as computer readouts and digitized speech, are increasingly becoming the norm on exercise equipment.

Tennis

The market for tennis equipment, excluding table tennis, was $237.6 million in 1987, down 1.3% from 1986. For 1988 sales are expected to increase 4% to $247 million, according to the National Sporting Goods Association. The introduction of aeordynamic design in racquet frames gave the industry a peek at the shape of things to come. The Wilson Profile was the first "fat racquet" to hit the shelves, and waiting lists for racquets were not uncommon. Brighter colors in accessory items like strings and racquet bags were a hit.

Racquetball

The racquetball market has been showing steady growth, from $61.1 million in 1986 to $65.4 million in 1987, and an expected 2% increase to $67 million in 1988, according to the National Sporting Goods Association.

Water Sports

Sales of skin diving and scuba gear are expected to increase 5% in 1988 to $87 million from $83 million in 1987. In 1986, sales were just under $82 million. Water ski sales increased from $131.3 million in 1986 to 148.1 million in 1987, and are expected to grow 6% to $157.0 million in 1988.

Golf

According to the National Golf Foundation, the overall growth of the $20 billion golf industry depends a lot upon the steady addition of new golf courses--especially public ones--throughout the country. Women accounted for 41% of the game's two million new players in 1987, according to the National Golf Foundation's latest survey report, compared to 21% in 1983. The total number of golfers in the country rose from 20.2 to 21.7 million in 1987, a 7.4% increase over the prior year.

Snow Sports

The National Ski Areas Association estimates total skier visits for the U.S. last year were 53.9 million, a fractional increase from the 53.7 million recorded the previous season. Despite a generally healthy ski season, price increases on ski specialists to adjust open-to-buys for the 1988/89 year. A falling U.S. currency continued to play havoc with vendor's pricing structures. Surfing on snow or "snowboarding" is a fast growing sport supporting an estimated $18 million industry. An industry magazine estimates there are 150,000 U.S. participants.

RETAIL SALES TRENDS BY TYPE OF SPORT

Snow Sports (continued)

A strong junior market is encouraging, as is the investment made by major ski areas, especially the West, in snow-making gear.

Downhill skiing equipment is expected to rack up $573 million in sales in 1988, an 8% increase over 1987. Similarly, cross country ski sales will grow to 7% to $140 million in 1988, according to the National Sporting Goods Association. A strong rebound in California helped push ski sales to about 1 million pairs in 1987. Snowmobiles are a $188 million market in 1987, and will increase 6% to $200 million in 1988.

Bicycles

Sales of bicycles, components and accessories, which are estimated to reach $5.8 billion this year at retail, will surpass $10 billion by 1992, representing a 12% annual growth pattern according to a Packaged Facts Research Company study. The study also projects actual bicycle sales to climb from $3.25 billion this year to $5.34 billion in 1992. The acceptance of specialized vehicles, such as mountain and triathlon bikes, are major factors in sales growth.

CONSUMER EXPENDITURES

Sports Equipment

In order to collect a continuous flow of information on purchases by U.S. consumers to be used in the periodic revisions of the Consumer Price Index, as well as a wide variety of research by government and business analysts, an on-going survey of representative samples of consumers is conducted by the Census Bureau for the Bureau of Labor statistics, utilizing both diaries and interviews.

Information on purchases of sports equipment of various types has been developed and published for the year 1986, projectable to 93,741,000 consumer units in the U.S.--roughly equivalent to U.S. household counts (the term households is used in connection with the figures reported below).

In 1986, expenditures for sports recreation and exercise equipment averaged $76.69 per household (including both households with such expenditures, and those with none). Expenditures for rental and repair are included in this average, but spending for gifts made to non-household members are not. Nor is the value of sporting goods used by consumers but supplied by schools, clubs, etc.

This average indicates that total expenditures amounted to $7.2 billion in 1986, compared with $7.0 billion based on the 1985 survey. The BLS reported that in each quarter of 1986 an average of close to 16% of households purchased some sports recreation and/or exercise equipment. Those households actually purchasing sports equipment, etc., in a quarter spend an average of $121.33. Details by specific types of equipment were reported as noted below.

Sports Equipment (continued)

Expenditures For Sports, Recreation and Exercise Equipment: 1986
Based on a Survey of U.S. Households

	Estimated Total		Quarterly Averages	
	Mil. $	%	% of Households Purchasing	Amount Spent
Sports, recreation, exercise equipment	$7,189.8	100.0	15.8%	$121.3
Bicycles	1,193.3	16.6	2.3	137.7
General sports and exercise equipment	2,490.7	34.6	8.4	79.5
Camping equipment	335.6	4.7	1.3	68.3
Hunting/fishing equipment	1,559.8	21.7	3.8	108.6
Winter sports equipment	454.6	6.3	0.7	183.8
Water sports, other sports equipment	1,015.2	14.1	2.5	108.0
Rental/repair sports/ recreation equipment	140.6	1.9	0.7	41.7

Source: U.S. Bureau of Labor Statistics
Consumer Expenditure Survey, 1986

Activewear

Retail activewear sales had a solid year in 1987, with dollar volume up 9% while total sporting goods purchases grew by 4% according to the SGMA.

The trade association forecasts the growth rate of consumer purchases to be flat in 1988, however, they point out the aging of the population bodes well for future growth of certain sporting goods markets such as golf, tennis and exercise.

Fleece was the key to activewear growth in 1987, continuing its strong performance of the previous year with some of the largest gains in terms of units and dollars among selected activewear categories. Fleece sweatshirts posted a 20% gain in dollars over 1986, with a 26% rise in units sold. Sales of sweatpants were up 19%, 23% more units sold than the previous year.

Other categories that turned in winning performances included golf which enjoyed a boost in consumer participation. Dollar sales of golf apparel rose 10% over 1986 levels. Bathing suits showed a modest increase in dollar terms, up 5%.

The SGMA data hinted at several important development for activewear manufacturers that may help spur new looks. Indications are that rugged outdoor wear may be the next big activewear fashion trend.

Manufacturers have returned to their functional roots (Daily News Record, Aug. 22, 1988) but have retained the colorful and creative touches that were added during these companies' abortive ventures into the sportswear market.

Performance activewear collections for spring 1989 have been slimmed down, with an emphasis placed on brand name awareness, visual retail presentation, and cross merchandising with footwear lines.

Activewear (continued)

The repositioning of the major apparel/footwear manufacturers now places chief importance on function, on which their reputations were built. The repositioning also discards the notion that a popular footwear or sweatshirt logo automatically means one can be all things to all people.

The crowded sporting goods market has necessitated easy identification for consumers, with high visibility logos on apparel a must. Since nearly every item in these lines has been splashed with a brand name, it serves a dual purpose; leading sales clerks as well as shoppers into convenient multiple item purchases.

DNR also reports (8/25/88) that despite the strong snob appeal of many branded and designer label jogging suits and sweats, non-name or private label fleecewear gained ground in market share. Fleecewear represented the greatest growth area for private label among eight categories in men's wear, during the Nov. 1987-Jan. 1988 quarter as reported by NDP Research. Private labels accounted for 21.7% of fleecewear unit sales at department stores, an increase of almost 9% over the same quarter the previous year.

Sports Apparel: Retail Distribution

Department stores captured about 31% of the $3.2 billion dollars spent for sports apparel in 1987, according to a survey sponsored by the SGMA.

Discounters represented 19.3% of consumer purchases, 13% of purchases were made at sporting goods stores and 13.6% at sports specialty/pro shops. Mail order and catalog accounted for 2.9% and 1.5% respectively. All other retail outlets represented 23% of sports apparel retail sales.

Measured in units, discount stores accounted for 36% of sports apparel sold; department stores, 33%; sporting goods stores, 12%; specialty pro shops, 9% and all others, 11%.

The ongoing SGMA sports apparel study tracks consumer purchases of 23 sport apparel items, including sport caps, athletic jackets, bathing suits, cycling, ski, golf, racquet sports, bowling, hunting/fishing, parkas, warmup suits, leotards/fitness, socks, athletic shorts, sweatshirts, sweatpants, and team uniforms.

Based on 1987 dollar purchases, the 18-34 age group buys 40% of sports apparel; 34-54 age segment, 27%; under 18, 21% and those 55 and over, 12%. These findings are drawn from research conducted among a mail panel of 10,000 households, per quarter by NPD/SMART for the SGMA.

Men's Activewear

Information on purchase patterns for men's and women's active sportswear for the years 1986 and 1987 has been supplied by the KSA/NPD Purchase Panel, a joint venture of Kurt Salmon Associates and the NPD Group. The panel consists of 11,500 households who monthly report their purchases of apparel and home textiles.

Men's Activewear (continued)

Yearly estimates on the growth of men's and boys' activewear sales are published annually by KSA.

Growth Trends in Male Active Apparel Consumption, 1984 - 1988
(Percent change in units purchased)

	Actual 1985/84	Actual 1986/85	Estimated 1987/86	Projected 1988/87
Men's activewear	+ 10%	+20%	+15%	+ 7%
Boys' activewear	+ 9	+24	+20	+10

Source: Kurt Salmon Associates,
Softgoods Outlook, 1988:
(Based on the KSA/NPD Purchase Panel of 11,500 households)

KSA reports that in the first six months of 1988 sales of men's sweats and warm-ups total $439 million compared to $265 million in the comparable period in 1986, a 32% increase.

The KSA/NPD Purchase Panel also indicated that in 1987 51.1% of men's sweats and warm-ups were bought "on sale" compared to 50.9% the previous year.

Of the total dollars spent on men's sweats and warm-ups, there was a 25.5% increase in "on sale" dollar volume in 1987 over 1986 and a 12.6% increase in 1986 over 1985.

Purchases of Men's Fleecewear By Type: 1986, 1987
(Units, Dollars in Millions)

	Units			Dollars (Mil.)		
	1987	1986	% Change 1987/86	1987	1986	% Change 1987/86
Total	104.4	87.6	+19.2%	1260.9	994.2	+26.8%
Sweatshirts	63.6	54.0	+17.8	761.0	610.2	+24.7
Sweatpants/sweatshirts	40.8	33.6	+21.4	499.9	384.0	+30.0

Men's Activewear (continued)

Purchases of Men's Fleecewear By Outlet: 1986, 1987
(Units and Dollars)

	Total Market % Units		Total Market % Dollars	
	1987	1986	1987	1986
Total	100%	100%	100%	100%
Department stores	15.8	15.8	20.3	21.0
Mass Merchandisers*	25.3	32.1	22.3	30.2
Discount Stores	30.9	26.1	24.5	18.8
Specialty Stores	7.6	6.5	9.1	7.2
Sporting Goods	4.5	5.8	6.9	8.8
All Other Outlets	15.9	13.7	16.9	14.0

*Includes Sears/Penney/Wards/K-Mart

Purchases of Men's Fleecewear by Price Points: 1986, 1987
(In Units and Dollars)

	Total Market % Units		Total Market % Dollars	
	1987	1986	1987	1986
Total	100%	100%	100%	100%
Less than $8.00	36.7	42.1	17.8	21.5
$8.00 - $11.00	23.7	23.8	19.2	20.7
$12.00 - $15.99	17.4	14.6	19.7	17.7
$16.00 - $19.99	10.1	9.2	15.0	14.5
$20.00 & Over	12.1	10.3	28.3	25.6

Purchases of Men's Fleecewear by Month of Purchase: 1986, 1987
(Dozens and Dollars)

	Total Market % Units		Total Market % Dollars	
	1987	1986	1987	1986
Total	100%	100%	100%	100%
January	7.7	7.2	7.3	7.1
February	5.2	4.4	4.1	4.1
March	4.1	3.9	3.7	3.5
April	2.2	3.5	1.9	3.1
May	2.0	1.9	2.0	2.3
June	2.4	2.5	1.8	2.3
July	2.5	2.4	2.2	2.4
August	4.6	5.4	4.4	4.7
September	6.0	6.7	6.1	5.6
October	11.4	11.4	10.1	11.2
November	19.6	19.0	21.2	19.5
December	32.3	31.7	35.2	34.2

Source for all Men's Fleecewear Tables: KSA/NPD Purchase Panel

Men's Activewear (continued)

Purchases of Men's Swimwear: 1986, 1987
(Units, Dollars in Millions)

	Units			Dollars in Millions		
	1987	1986	% Change	1987	1986	% Change
Total	14.4	13.2	+ 9.1%	153.3	128.4	+19.4%

Purchases of Men's Swimwear By Outlet: 1986, 1987
(Units and Dollars)

	Total Market % Units		Total Market % Dollars	
	1987	1986	1987	1986
Total	100%	100%	100%	100%
Department stores	17.8	16.8	21.5	21.2
Mass Merchandisers*	25.4	24.4	23.0	21.3
Discount Stores	26.2	22.8	17.1	16.2
Specialty Stores	10.7	10.3	14.6	13.7
Sporting Goods	5.6	6.0	8.1	8.5
All Other Outlets	14.3	19.7	15.7	19.1

*Includes Sears/Penney/Wards/K-Mart

Purchases of Men's Swimwear by Price Points: 1986, 1987
(In Units and Dollars)

	Total Market % Units		Total Market % Dollars	
	1987	1986	1987	1986
Total	100%	100%	100%	100%
Less than $5.00	20.7	20.1	7.5	7.0
$5.00 - $7.99	24.9	34.4	15.8	23.7
$8.00 - $10.99	20.1	18.5	18.4	18.6
$11.00 - $13.99	12.4	6.2	15.0	8.4
$14.00 - $16.99	5.9	8.1	8.8	13.0
$17.00 - $19.99	5.6	5.4	10.1	10.5
$20.00 & Over	10.4	7.3	24.4	18.8

Men's Activewear (continued)

Purchases of Men's Swimwear by Month of Purchase: 1986, 1987
(Units and Dollars)

	Total Market % Units		Total Market % Dollars	
	1987	1986	1987	1986
Total	100%	100%	100%	100%
January	1.7	1.3	1.3	1.8
February	2.2	2.5	3.4	2.8
March	6.0	6.1	8.7	6.7
April	7.4	11.1	6.9	12.3
May	17.0	20.4	16.1	21.1
June	28.6	19.7	27.4	20.9
July	20.8	18.5	19.3	16.0
August	6.9	10.8	6.4	9.6
September	3.2	3.7	2.6	1.9
October	2.2	1.4	2.3	1.5
November	1.9	2.5	2.2	3.0
December	2.1	2.0	3.4	2.4

Source for all Men's Swimwear Tables: KSA/NPD Purchase Panel

Women's Activewear

Estimating the size of the women's activewear market presents a bit of a puzzle because purchases are not exclusively sport driven. The element of fashion and "sportswear" compounds the problem. The NSGA estimated the retail value of the total athletic and sport clothing market in 1987 as $4,645,119,000. This figure includes athletic socks, bathing suits, golf clothing, leotards, parkas, shorts, skiwear, sweatpants, sweatshirts, tennis clothing, vests and warm up suits.

While more males than females are involved in sports, females are more frequent purchasers of apparel; market sources estimate that more than half of purchases are made by women.

For specific items like sweatshirts and bathing suits, panel data provides a clearer and more immediate picture.

The KSA/NPD panel reports that in the first six months of 1988, women's purchases of sweats and warm-ups amounted to $588 million compared to $578 million in the first half of 1987, up 13%.

According to data from Kurt Salmon Associates, activewear for women and girls has been one of the best performing apparel categories on a unit sales basis, since 1984. For 1988, KSA estimates that women's sales will increase by 5%, while girls' will gain by 10%.

Annual Change in Female Activewear Consumption, 1984 - 1988
(Percent change in units purchased)

	Actual 1985/84	Actual 1986/85	Estimated 1987/86	Projected 1988/87
Women's activewear	+ 20%	+38%	+10%	+ 5%
Girls' activewear	+ 3	+48	+20	+10

Source: Kurt Salmon Associates,
Softgoods Outlook, 1988:
(Based on the KSA/NPD Purchase Panel of 11,500 households)

Purchases of Women's Fleecewear By Type: 1986, 1987
(Units, Dollars in Millions

	Total Market Units			Total Market Dollars (Mils.)		
	1987	1986	% Change 1986/87	1987	1986	% Change 1986/87
Total	164.4	135.6	+ 21.2%	1,936.3	1,512.3	+ 28.0%
Sweatshirts	99.6	87.6	+ 13.7	1,191.9	1,012.7	+ 17.7
Sweatpants/Sweatsuits	64.8	48.0	+ 35.0	744.4	499.6	+ 49.0

Purchases of Women's Fleecewear By Outlet: 1986, 1987
(Units and Dollars)

	Total Market % Units		Total Market % Dollars	
	1987	1986	1987	1986
Total	100%	100%	100%	100%
Department stores	16.6	17.8	20.6	21.5
Mass Merchandisers*	24.9	25.1	21.4	22.6
Discount Stores	26.0	25.8	20.7	20.2
Specialty Stores	14.1	15.6	17.3	19.3
Sporting Goods	1.6	2.5	2.6	3.5
All Other Outlets	16.8	13.2	17.4	12.9

*Includes Sears/Penney/Wards/K-Mart

Purchases of Women's Fleecewear by Price Points: 1986, 1987
(Units and Dollars)

	Total Market % Units		Total Market % Dollars	
	1987	1986	1987	1986
Total	100%	100%	100%	100%
Less than $8.00	39.6	42.0	19.3	22.3
$8.00 - $11.00	22.6	24.6	19.3	21.9
$12.00 - $15.99	16.7	15.4	19.7	19.3
$16.00 - $19.99	10.7	9.5	16.4	15.5
$20.00 & Over	10.4	8.5	25.3	21.0

Women's Activewear (continued)

Purchases of Women's Fleecewear by Fiber Content: 1986, 1987
(Units and Dollars)

	Total Market % Units		Total Market % Dollars	
	1987	1986	1987	1986
Total	100%	100%	100%	100%
Total Polyester Dominant	44.1	39.7	49.6	45.7
Poly/Cotton Blend*	40.0	36.4	44.8	41.7
100% Poly and other poly blends	4.1	3.3	4.8	4.0
Total Cotton Dominant	16.3	14.1	21.1	17.7
100% Cotton	9.0	5.9	11.4	7.8
Cotton/Poly Blends	6.3	6.1	8.6	7.9
Other Cotton Blends	1.0	2.1	1.1	2.0
Total Acrylic Dominant	38.7	45.0	28.1	35.1
100% Acrylic	9.6	13.1	9.2	12.1
Acrylic Blends	29.1	31.9	18.9	23.0
All Other Fibers	0.9	1.2	1.2	1.5

* Includes 50/50

Purchases of Women's Fleecewear by Month of Purchase: 1986, 1987
(Units and Dollars)

	Total Market % Units		Total Market % Dollars	
	1987	1986	1987	1986
Total	100%	100%	100%	100%
January	10.4	8.0	9.7	7.5
February	7.1	6.0	6.2	5.2
March	4.8	5.6	4.7	4.5
April	3.7	3.8	3.6	3.4
May	3.2	2.4	2.9	2.2
June	2.5	2.1	2.4	2.0
July	3.6	3.4	3.4	3.1
August	5.0	6.7	5.5	6.7
September	7.8	8.0	7.9	8.4
October	13.7	13.7	14.0	13.5
November	17.6	18.7	17.3	19.2
December	20.6	21.6	22.4	24.3

Source for all Women's Fleecewear Tables: KSA/NPD Purchase Panel

Women's Activewear (continued)

Purchases of Women's Swimwear: 1986, 1987
(Units and Dollars in Millions)

	Total Market Units (Dozens in Mil.)			Total Market Dollars (in Mil.)		
	1987	1986	% Change 1987/86	1987	1986	% Change 1987/86
Total	44.4	40.8	+ 8.8%	827.3	719.5	+15.0%

Purchases of Women's Swimwear By Outlet: 1986, 1987
(Units and Dollars)

	Total Market % Units		Total Market % Dollars	
	1987	1986	1987	1986
Total	100%	100%	100%	100%
Department stores	21.0	19.4	28.6	27.2
Mass Merchandisers*	22.1	23.6	18.8	18.6
Discount Stores	16.7	16.6	10.6	11.8
Specialty Stores	16.0	17.5	18.8	20.0
Mail Order	4.5	6.6	5.4	6.3
All Other Outlets	19.7	16.3	17.8	16.1

*Includes Sears/Penney/Wards/K-Mart

Purchases of Women's Swimwear by Price Points: 1986, 1987
(Units and Dollars)

	Total Market % Units		Total Market % Dollars	
	1987	1986	1987	1986
Total	100%	100%	100%	100%
Less than $5.00	7.4	8.7	1.0	1.6
$5.00 - $7.99	12.0	11.7	4.2	4.3
$8.00 - $10.99	13.4	13.1	6.9	7.0
$11.00 - $13.99	9.8	10.7	6.7	7.4
$14.00 - $16.99	11.3	10.8	9.3	9.4
$17.00 - $19.99	9.5	10.9	9.8	11.5
$20.00 & Over	36.6	34.1	62.2	58.9

Women's Activewear (continued)

Purchases of Women's Swimwear by Month of Purchase: 1986, 1987
(Units and Dollars)

	Total Market % Units		Total Market % Dollars	
	1987	1986	1987	1986
Total	100%	100%	100%	100%
January	2.2	2.1	2.4	3.0
February	3.5	4.2	4.8	4.4
March	5.6	5.9	6.8	6.4
April	8.4	8.4	9.2	8.9
May	19.5	16.8	19.3	17.9
June	20.2	21.7	21.6	24.1
July	22.7	23.5	21.6	21.3
August	11.1	12.0	9.6	9.8
September	3.2	2.4	2.0	1.9
October	1.6	1.3	1.4	0.7
November	0.8	0.6	0.6	0.5
December	1.2	1.0	0.7	1.1

Source for all Women's Swimwear Tables: KSA/NPD Purchase Panel

Athletic Footwear

The most significant trend in the athletic footwear industry is the consumer shift away from purchasing shoes for use in the category specific sport to buying shoes for casual wear, according to a consumer survey sponsored by the Sporting Goods Manufacturing Association. This has resulted in a slowdown in dollar value growth. According to the SGMA study, athletic footwear dollar purchases grew by 11% in 1987, a decline from the 23% growth rate of 1986.

Retail sales of athletic and sports footwear totaled $2.7 billion in 1987, compared to $2.5 billion in 1986. (Not included are athletic team footwear or purchases in other than retail outlets.) In the categories surveyed, basketball shoes experienced the greatest growth in total unit sales followed by fitness and walking with growth at 52% and 49%, respectively. Running, aerobic and tennis styles on the other hand suffered a drop in unit sales in 1987.

According to market sources, the slowdown of overall growth in the athletic footwear market from 1986 to 1987, coupled with a failure on the part of fitness shoes to compensate for the pairage loss in the aerobics category, indicates the need for a new interest generating category.

Both men's and women's non-rubber athletic footwear purchases experienced less growth in 1987 than in 1986, but women's unit sales grew only 8% compared to 33% in 1986. As in 1986, the 55-plus age category achieved the most growth in athletic footwear purchases last year--17%. The 18-34 group ranked the next highest, with a 16% growth. None of the age categories matched the growth of 1986, and the 18 and under category even fell to 2% growth in 1987, compared with the 16% growth in experienced in 1986.

Athletic Footwear (Continued)

The erosion (of running) went to basketball, at the younger end, and walking shoes at the older end. Walking shoe unit sales grew 49% in 1987, with dollar sales growth doubling in the 35-54 age category.

All the growth that appeared in the athletic footwear market in 1987 occurred because of the walking shoe market.

Consumer purchases of footwear of all types are tracked by Kormos, Harris & Associates in the Footwear Market Index, the result of an on-going tri-annual survey of 50,000 representative household across the nation which records purchases during the period. Results are projected to the U.S. population.

The results show the continued importance of the market among women for athletic footwear of all types, not only because of increased participation in active sports but also because of the appeal of this footwear for everyday wear due to comfort and fashion.

In 1987, panel results indicated purchases of athletic/jogging footwear as a whole rose 9.9% in terms of pairs. Women's styles lead, with a 13.2% gain. In the tennis shoe/sneaker category, women's styles were up almost 34% vs. an overall gain of about 18%.

Pattern in Athletic Footwear Purchases: 1986, 1987
(Based on pairs)

	1987	1986	% Change 1987/86
Total, all types	100.0%	100.0%	+ 15.1%
Athletic/jogging footwear	33.2	34.8	+ 9.9
Men's	12.9	13.8	+ 7.7
Women's	16.0	16.3	+13.2
Boys'	2.8	3.0	+ 5.1
Girls'	1.6	1.7	+ 4.5
Tennis shoes/sneakers	66.8	65.2	+ 17.9
Men's	22.1	23.6	+ 8.0
Women's	24.5	21.1	+ 33.8
Boys'	13.6	14.1	+ 10.7
Girls'	6.6	6.4	+ 17.8

Women's share of all types of athletic footwear, including sneakers, has increased from about 35% in 1984 to 40.5% in 1987, drawing share from all other segments of the total market.

Athletic Footwear (continued)

Distribution of Athletic Footwear Purchases
By Market Segment
(Based on pairs)

	1987	1986	1984
Athletic footwear, all types	100.0%	100.0%	100.0%
Total purchases	35.0	37.3	36.1
Men's	16.4	17.2	18.6
Women's	40.5	37.4	35.1
Girls'	8.1	8.1	10.2

Source: Kormos, Harris & Associates, Nashville, TN:
Footwear Market Index

An additional insight into athletic footwear purchases can be seen from a survey of 80,000 households by the NSGA. Based on dollar expenditures, the study divides athletic footwear into the following categories:

Share of Consumer Footwear Purchases by Category/Sport

	% of Dollar Purchases
Aerobic Shoes	11.6%
Baseball/Softball	2.7
Basketball Shoes	4.9
Bowling Shoes	1.1
Football Shoes	1.5
Golf Shoes	3.8
Gym Shoes/Sneakers	20.1
Hiking Shoes/Boots	4.3
Hunting Boots	1.9
Jogging/Running	13.8
Racquetball Shoes	1.0
Soccer Shoes	2.1
Tennis Shoes	10.7
Walking Shoes	14.8
Workout/Fitness	5.7
	100.0%

Source: The Sporting Goods Market in 1988
National Sporting Goods Association

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS): Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS (1988 Edition): Provides an overview of all facets of consumer market growth, including population size, age distribution, educational levels, employment by occupation groups, earnings. Development of specific market segments are analyzed which are shaped by changes in income levels, living arrangements working women, marriage and birth trends, and fast-changing economic developments.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1988 Edition): Updates 1987 edition reports on department and specialty stores (number and sales) at the buying headquarter level, with information on branch stores where available. Data is organized for headquarter operations listed by city within the four major geographical regions of the U.S. Additional features: an alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest sales figures; a list of top traditional department store operations ranked by sales, covering store operations with a volume of $50 million or more in 1987; a list of conglomerates operating traditional department and apparel specialty stores, with the names and headquarter locations of these stores.

DRESSES, DRESS DEPARTMENTS, WASHABLE SERVICE APPAREL (WOMEN'S, MISSES', JUNIORS'): Includes trends in the U.S. industry, such as number of manufacturers, production, shipments; information on imports and their market penetration. Estimates are included on retail sales, as well as information on consumer spending patterns, and the growing importance of the service industries requiring washable service apparel.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A statistical analysis of the U. S. footwear industry and on imports, including import penetration by type of footwear, changes in sourcing patterns, etc. Also includes information at consumer spending patterns, retail sales by outlet type, operating ratios in footwear departments, consumer buying patterns.

HOME TEXTILES & RELATED PRODUCTS: Covers information on manufacturers in the industry, and developments resulting from consolidations, the quantity and value of U.S. production, foreign trade, total market supply. At the retail level, the report includes information on household spending, price trends and consumer buying habits. Included in this Fact File are facts on linens and domestics, as well as window coverings and related hardware, and bath shop items.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S, BOYS' GIRLS'): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet, patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING (Mattresses, Dual-Purpose Sleep Furniture, etc.): Reviews important market trends and provides an overview of important statistics at the manufacturing, retailing and consumer levels relating to furniture and bedding. Included is information on the number of manufacturers, the quantity and value of shipments, employment and earnings, and industry concentration levels. Retail data includes information on furniture store sales, the leading furniture stores and the leading department stores in furniture volume; trends in consumer spending for furniture and price level changes.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores.

MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR: The wide variety of men's wear items included in this broad category are covered; including available information on the industry and markets at the manufacturer, retailer and consumer levels. It covers information on production and shipments by U.S. producers, imports and exports, as well as estimates on retail sales and information on consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing. (Latest edition available 1984).

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade. (Latest edition available 1986.)

THE SPORTS/FITNESS/LEISURE MARKETS: Covers the market for products designed for the active sports participant, as well as athleisure activities and active apparel. Covers growth trends in specific sports and related products, including footwear and apparel, and developments in the fitness market.

SPORTSWEAR, CASUAL WEAR, SEPARATES (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of the products included in this classification at the manufacturing and retailing level. Includes information on production, shipments, foreign trade, a well as estimates on consumer spending and buying patterns and on market trends.

STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible. (Latest edition available 1985).

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed.

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WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices.

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